



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2011

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





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Cleveland Heights-University Heights City School District, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

March 13, 2012

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INTRODUCTORY *Section*

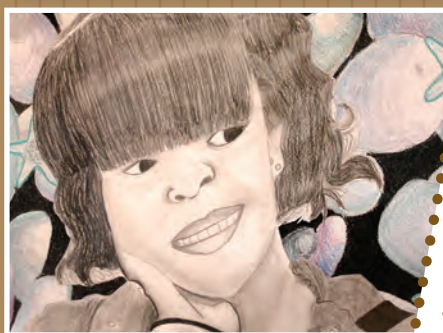


TOP:
RODNEY PARADISE
Grade 8, Monticello Middle School

CENTER LEFT:
CHRISHON DANIELS
Grade 8, Monticello Middle School

CENTER RIGHT:
KYREE HUNT
Grade 8, Monticello Middle School

BOTTOM:
OLIVIA BROWN
Grade 8, Monticello Middle School



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CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT

University Heights, Ohio



Comprehensive Annual Financial Report

for the fiscal year ended
June 30, 2011

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



ABOVE:
RUBY KAUFFMAN
Grade 4
Roxboro Elementary School

LEFT:
SENNA PERELMAN
Grade 5,
Roxboro Elementary School

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Mission Statement

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

Cleveland
University
Heights



City School District

www.chuh.org

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Cleveland Heights-University Heights City School District

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

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Cleveland Heights-University Heights City School District

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Cleveland Heights-University Heights City School District

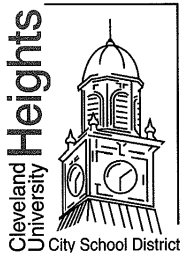
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A. Scott Gainer
Chief Financial Officer

December 23, 2011

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

Dear Board Members and Residents:

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all school districts file annual audited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2011.

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

Ciuni & Panichi, Inc. (CPAs and Business Advisors), have issued an unqualified (“clean”) opinion on the Cleveland Heights-University Heights City School District’s financial statements for the year ended June 30, 2011. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

Profile of the School District

The Cleveland Heights-University Heights City School District is one of 610 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 5,870 students in grades kindergarten through twelve. Additionally, the District provides preschool, after school, and adult education services. The District covers approximately 9.6 square miles, serving the cities of Cleveland Heights, University Heights and a small portion of South Euclid, and is located approximately ten miles southeast of downtown Cleveland. Highlights of the history of the Cleveland Heights-University Heights City School District are as follows:

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

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

Local Economy

The District serves approximately 46,000 residents of the City of Cleveland Heights and approximately 13,500 residents of the City of University Heights, both inner-ring suburbs of the City of Cleveland. Both communities are primarily residential in nature, with a diverse base of residents. The proximity and easy access of the cities to major cultural, educational, and medical facilities in northeast Ohio typically contributes to climbing property values, a key indicator of a community's economic health and stability where the primary "industry" is housing, although both communities have experienced a significant number of home foreclosures and flat or decreasing property values consistent with the overall trend in Ohio and nationally.

State funding of schools has changed dramatically based upon the passage of HB 1. Although the District will continue to rely primarily on local property taxes generated through periodic operating levies, HB 1 introduced a new evidence based model of state support shifting the focus from per pupil funding to units based upon numbers of staff. Unfortunately with the economy as it is, the state does not have the means to provide resources to fund the new model, and is phasing implementation in over the next 10 years. In the short-term, the District received 1% less in state funding in 2009-2010 and 2% less in 2010-2011. In response to decreases in property tax revenue due to foreclosures and diminishing state funding, the District reduced the budget over \$3 million for the 2009-2010 school year, and anticipates ongoing reductions. The District successfully passed a 6.9 mill operating levy in November, 2011.

Economic Condition and Outlook

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

Student enrollment for the 2001 school year was 6,891. Enrollment for the 2010 school year was 5,870. Based upon enrollment projections by Dejong Healy, enrollment will continue to decline, bottoming out in 2015 at 5,514.

Long-Term Financial Planning

Financial Highlights - Internal Service Funds - The only internal service funds carried on the financial records of the District are related to self-insurance and the workers' compensation fund. These funds account for the revenues and expenses related to the provision of medical and workers' compensation program. The internal service funds had net assets of \$3,427,251 at June 30, 2011 compared with net assets of \$2,659,266 at June 30, 2010. The District is meeting its claim liability.

The most recent District five year forecast indicates a positive cash balance through 2013, with a \$22 million deficit beginning in 2014. To compensate for declining property tax revenue, reduced interest income, and reductions in state revenue as discussed above, the District reduced the 2009-2010 budget by over \$3 million. In addition, the District is continuing to pursue various cost-containment and cost-savings strategies. Additionally, the District entered into the Expedited Local Partnership Program with the Ohio School Facilities Commission to have a complete evaluation of facilities done in an effort to streamline operations and enhance delivery of instruction and is currently engaging the community in a district-wide facility evaluation which could result in a bond issue in November of 2012. As indicated previously, the District successfully passed a 6.9 mill operating levy in November, 2011.

Relevant Financial Policies

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

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

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

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

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

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

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

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

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

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

The District has a comprehensive cash management program, which consists of expediting receipt of revenues and prudently depositing and investing available cash balances. The available cash of the District's individual funds is combined into a single cash pool and invested according to cash flow projections. The District invests in Certificates of Deposit, U.S. Treasury Notes, authorized Federal agency securities, and STAROhio, an investment pool operated by the Treasurer of the State of Ohio. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 2011, the District earned \$306,230 in interest income of which \$146,817 was credited to the General Fund.

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

Major Initiatives

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

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

Awards and Acknowledgements

Awards

The Government Finance Officers Association in the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the year ended June 30, 2010. This was the tenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

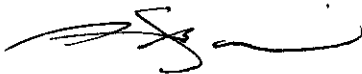
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International also awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the year ended June 30, 2010. The Association's Panel of Review judged that the District's report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. This certificate is awarded upon recommendation of the Association's Panel of Review and is valid for a period of one year only.

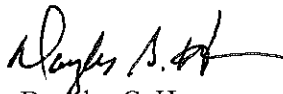
Acknowledgements

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

Respectfully submitted,



A. Scott Gainer
Chief Financial Officer



Douglas G. Heuer
Superintendent

GFOA CERTIFICATE OF ACHIEVEMENT FOR 2010

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland Heights-University
Heights City School District
Ohio

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

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.



Linda C. Danson

President

Jeffrey R. Emmer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

JSSCO

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

University Heights, Ohio

Principal Officials

as of June 30, 2011

BOARD OF EDUCATION

Mr. Eric Coble, President

Mr. Ron Register, Vice President

Ms. Karen Jones, Board Member

Ms. Nancy Pepler, President

Mr. Kal Zucker, Board Member

CHIEF FINANCIAL OFFICER

Mr. A. Scott Gainer

SUPERINTENDENT

Mr. Douglas G. Heuer

TOP:

MEGAN BUCKNER

Grade K

Canterbury Elementary School

BOTTOM:

DAMARI LORETZ

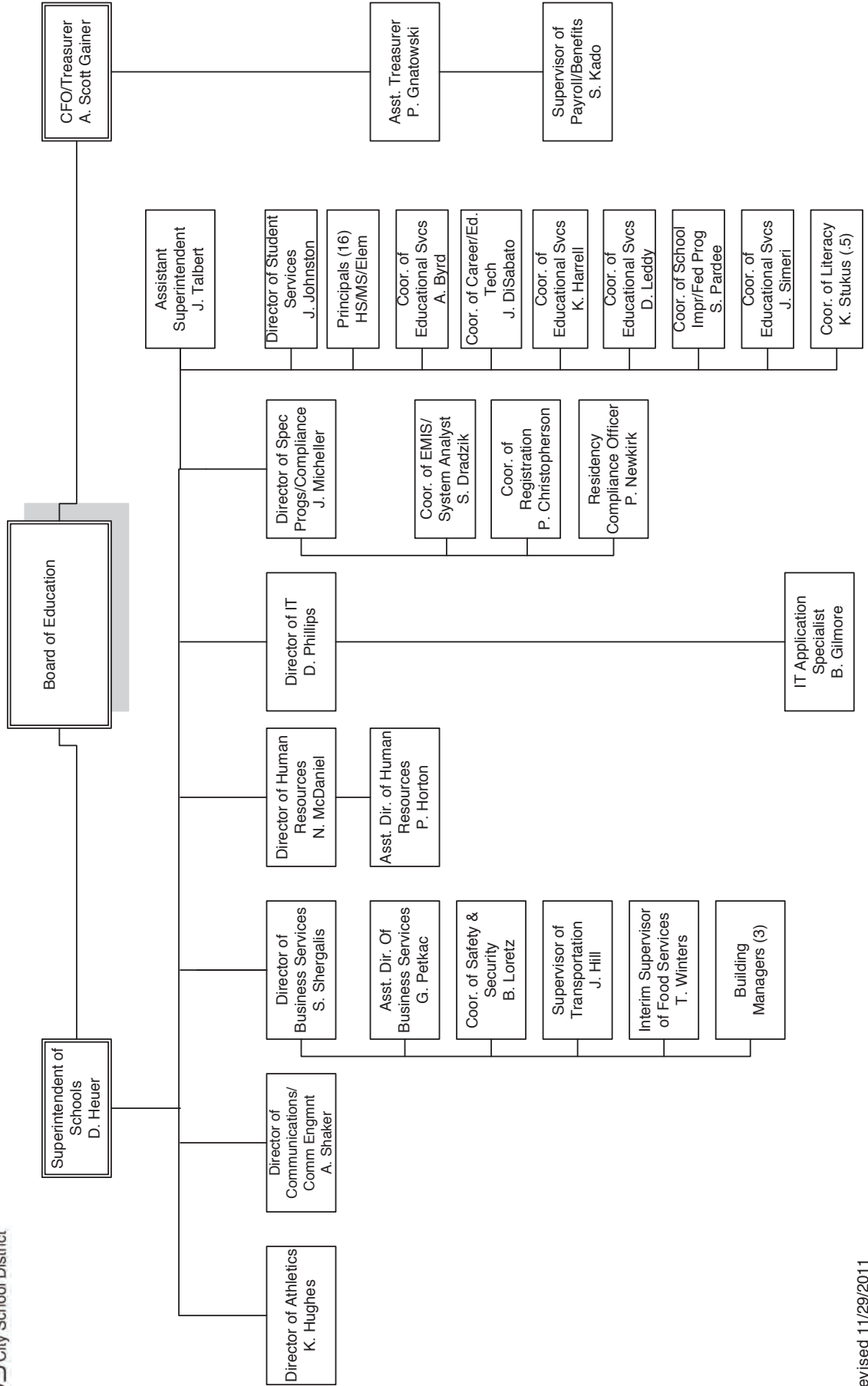
Grade 3

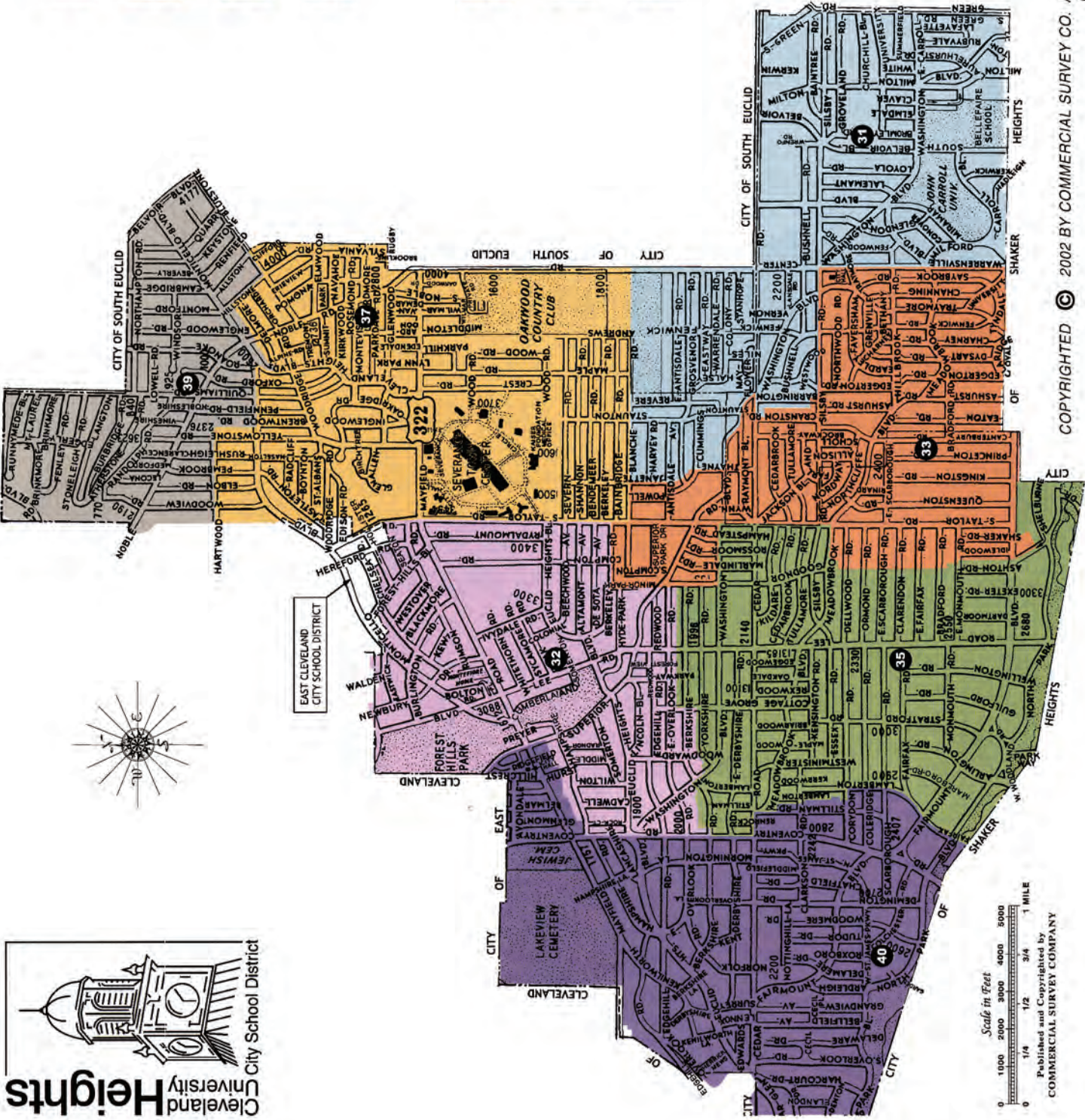
Canterbury Elementary School



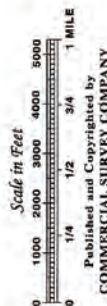


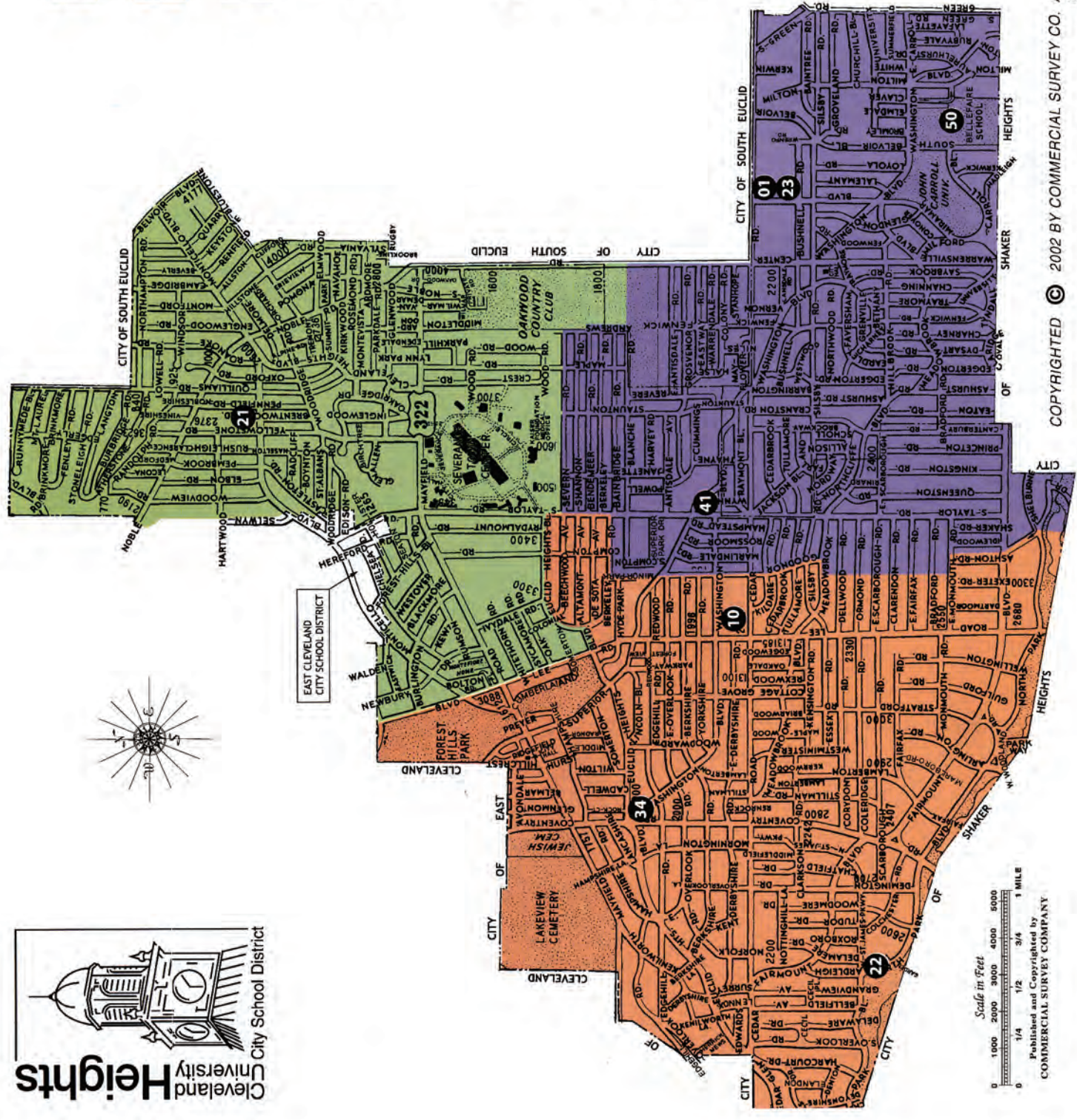
Cleveland Heights-University Heights
Board of Education
Organizational Chart for Administrators-Professional Staff Combined
2010-2011





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



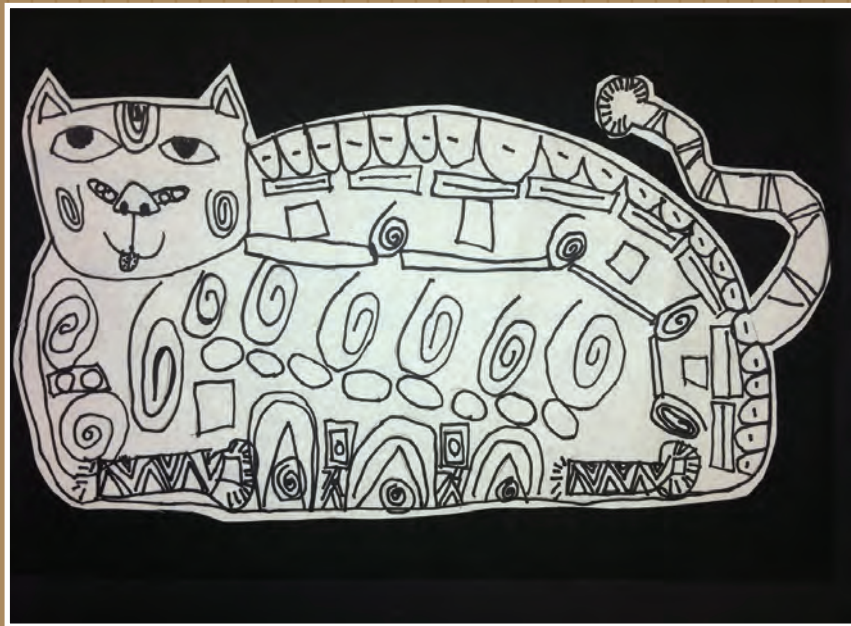


- MIDDLE SCHOOLS**
- 21** Monticello Middle School
3665 Monticello Boulevard
Cleveland Hts., OH 44121-1599
216-371-6520
 - 22** Roxboro Middle School
2400 Roxboro Road
Cleveland Hts., OH 44106-3698
216-371-7440
 - 23** Wiley Middle School
2181 Miramar Boulevard
University Hts., OH 44118-3394
216-371-7270

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

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

FINANCIAL *Section*



TOP:
ERIC NAPOLEON, *Grade 5, Fairfax Elementary School*

BOTTOM:
GRAHAM ANDERSON-REITZ, *Grade 2, Noble Elementary School*



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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights - University Heights City School District (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the financial statements, during the year ended June 30, 2011, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus*.

Board of Education
Cleveland Heights – University Heights
City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Cini & Parichi, Inc.

Cleveland, Ohio
December 23, 2011

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2011

Our discussion and analysis of the Cleveland Heights-University Heights City School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

In total, net assets decreased \$9,402,340 which represents 11% decrease from the prior year. Net assets of governmental activities decreased \$6,445,521 from 2010. Net assets of business-type activities decreased \$2,956,819 or 64% from 2010.

For governmental activities, general revenues accounted for \$93,403,524 in revenue or 87% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$14,327,123 or 13% of total revenues of \$107,730,647.

The District had \$114,006,850 in expenses related to governmental activities; only \$14,327,123 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$93,403,524 were able to provide for these programs resulting in a decrease of net assets from \$91,017,897 to \$84,572,376.

Governmental activities expenses, increased 7.98 percent from the prior year. Instructional expenses made up 55 percent of total governmental activities expenses while support services account for 41 percent. Other expenses rounded out the remaining 4 percent.

The District had \$6,557,786 in expenses related to business-type activities; a total of \$3,431,649 was offset by program specific charges for services, grants and contributions and transfers of \$169,318 which were not adequate to provide for these programs by \$2,956,819 resulting in a decrease of net assets from \$(4,648,804) to \$(7,605,623).

The District's major governmental fund is the General Fund. The General Fund had \$90,732,639 in revenues and other financing sources and \$98,849,032 in expenditures and other financing uses. The General Fund balance decreased \$8,116,393, from \$61,727,234 to \$53,610,841.

Using this Comprehensive Annual Financial Report (CAFR)

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

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

Reporting the School District as a Whole

The Statement of Net Assets and Statement of Activities

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2011 and 2010.

	Net Assets			
	Governmental Activities <u>2011</u>	Business-Type Activities <u>2011</u>	Governmental Activities <u>2010</u>	Business-Type Activities <u>2010</u>
Assets:				
Current and other assets	\$ 131,425,696	\$ (7,566,816)	\$ 134,275,531	\$ (4,564,973)
Capital assets	<u>35,223,460</u>	<u>533,397</u>	<u>34,216,706</u>	<u>572,056</u>
Total assets	<u>166,649,156</u>	<u>(7,033,419)</u>	<u>168,492,237</u>	<u>(3,992,917)</u>
Liabilities:				
Current and other liabilities	58,717,379	281,746	53,312,590	340,669
Long-term liabilities	<u>23,359,401</u>	<u>290,458</u>	<u>24,161,750</u>	<u>315,218</u>
Total liabilities	<u>82,076,780</u>	<u>572,204</u>	<u>77,474,340</u>	<u>655,887</u>
Net assets				
Invested in capital assets, net of debt	26,268,632	533,397	24,153,304	572,056
Restricted	6,400,193	-	8,340,149	-
Unrestricted (deficit)	<u>51,903,551</u>	<u>(8,139,020)</u>	<u>58,524,444</u>	<u>(5,220,860)</u>
Total net assets (deficit)	<u>\$ 84,572,376</u>	<u>\$ (7,605,623)</u>	<u>\$ 91,017,897</u>	<u>\$ (4,648,804)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the District's assets exceeded liabilities by \$76,966,753.

Total assets decreased by \$4,883,583 mainly due to decreases in cash and intergovernmental receivables.

Cash decreased by \$4,099,199. Last year's cash balance of \$53,807,497 included restricted assets of \$5,476,042. This year's cash balance of \$49,708,298 includes restricted assets of \$6,322,852. Decrease in cash is mainly due to the District being at the end of an operating levy cycle as well as reduced property tax collections. The District has also taken advantage of improved cash flow by maintaining an active investment plan, and management continues to focus on efforts to reduce expenditures. The decrease in intergovernmental receivable of \$1,505,692 is mainly due to decrease in stimulus federal funding due to the completion of the American Recovery and Reinvestment program in fiscal year 2011.

Capital assets, net of related debt reported on the government-wide statements represent 34.82 percent of total net assets for fiscal year 2011. Capital assets include land, construction in progress, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's total net assets, \$6,400,193, or 8.32 percent, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$4,553,900 is restricted for debt service payments, including the Qualified Zone Academy Bonds, \$1,481,800 is restricted for capital projects, and \$364,493 is restricted for other purposes. The remaining balance of net assets \$43,764,531 is an unrestricted amount available to meet the government's ongoing obligations to students and staff.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	Changes in Net Assets			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2011</u>	<u>2011</u>	<u>2010</u>	<u>2010</u>
Revenues:				
Program revenues:				
Charges for services	\$ 4,473,186	\$ 1,770,138	\$ 2,196,809	\$ 3,754,548
Operating grants	9,826,637	1,661,511	10,309,433	1,804,716
Capital grants	27,300	-	-	116,347
Total program revenues	<u>14,327,123</u>	<u>3,431,649</u>	<u>12,506,242</u>	<u>5,675,611</u>
General revenues:				
Property taxes	60,452,392	-	59,106,439	-
Payments in lieu of property taxes	-	-	1,813	-
Grants and entitlements	31,992,845	-	32,788,606	-
Investment earnings	306,230	-	489,176	-
Miscellaneous	652,057	-	1,116,647	-
Total general revenues	<u>93,403,524</u>	<u>-</u>	<u>93,502,681</u>	<u>-</u>
Total revenues	<u>107,730,647</u>	<u>3,431,649</u>	<u>106,008,923</u>	<u>5,675,611</u>
Program expenses:				
Instruction:				
Regular	41,334,122	-	37,442,211	-
Special	13,830,108	-	12,357,959	-
Vocational	2,075,152	-	1,917,084	-
Adult/continuing	346,356	-	233,715	-
Other instruction	5,341,468	-	4,424,806	-
Support services:				
Pupil	8,922,133	-	9,001,406	-
Instructional staff	6,158,641	-	5,149,498	-
Board of education	590,673	-	482,582	-
Administration	5,963,161	-	6,183,059	-
Fiscal	2,441,386	-	3,028,623	-
Business	1,583,775	-	1,344,500	-
Operation and maintenance of plant	12,471,455	-	11,722,180	-
Pupil transportation	4,499,491	-	4,550,353	-
Central	3,766,198	-	3,522,237	-
Operations of non-instructional services	2,538,766	-	2,215,880	-
Food service operations	5,485	-	5,776	-
Extracurricular activities	1,618,758	-	1,478,856	-
Interest and fiscal charges	519,722	-	525,075	-
Food services	-	2,310,751	-	2,354,293
Uniform school supplies	-	31,350	-	74,610
Customer services	-	9,385	-	20,356
Community services/early childhood	-	746,880	-	731,703
Bellefaire General Rotary	-	3,459,420	-	3,395,010
Total program expenses	<u>114,006,850</u>	<u>6,557,786</u>	<u>105,585,800</u>	<u>6,575,972</u>
Change in net assets before transfers	(6,276,203)	(3,126,137)	423,123	(900,361)
Transfers	(169,318)	169,318	-	-
Change in net assets	(6,445,521)	(2,956,819)	423,123	(900,361)
Net assets (deficit) at beginning of year, restated	91,017,897	(4,648,804)	90,594,774	(3,748,443)
Net assets (deficit) at end of year	<u>\$ 84,572,376</u>	<u>\$ (7,605,623)</u>	<u>\$ 91,017,897</u>	<u>\$ (4,648,804)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

Governmental Activities

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

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value was increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 56 percent of total governmental activities revenues for the District in fiscal year 2011.

Instruction and support services comprise 55 percent and 41 percent of governmental program expenses, respectively. Interest expense was less than 1 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects. Overall, governmental program expenses increased approximately \$8.4 million, mainly due to an increase in regular and special instruction. Step-increases in employee wages and benefits and increases in professional service fees contributed significantly to the overall increases.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2011 and 2010. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>
Program expenses:				
Instruction	\$ 62,927,206	\$ 50,495,294	\$ 56,375,775	\$ 46,169,519
Pupil and instructional staff	15,080,774	14,987,315	14,150,904	14,057,225
Board of education, administration, fiscal and business	10,578,995	10,548,420	11,038,764	11,025,568
Operation and maintenance - plant	12,471,455	12,471,455	11,722,180	11,722,180
Pupil transportation	4,499,491	4,377,758	4,550,353	4,366,975
Central services	3,766,198	3,738,898	3,522,237	3,522,237
Operation of non-instructional services	2,538,766	976,389	2,215,880	301,172
Food service operations	5,485	5,485	5,776	5,776
Extracurricular activities	1,618,758	1,558,991	1,478,856	1,383,831
Interest and fiscal charges	<u>519,722</u>	<u>519,722</u>	<u>525,075</u>	<u>525,075</u>
Total program expenses	\$ <u>114,006,850</u>	\$ <u>99,679,727</u>	\$ <u>105,585,800</u>	\$ <u>93,079,558</u>

The dependence upon tax revenues during fiscal year 2011 for governmental activities is apparent.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

Business-Type Activities

Business-type activities include Bellefaire, food service operation, uniform school supplies, customer services and community services/early childhood. These programs had revenues, including transfers of \$3,600,967 and expenses of \$6,557,786 for fiscal year 2011. The Bellefaire General Rotary Fund had expenses of \$3,459,420 and revenues of \$611,951. This resulted in a decrease of net assets for the fiscal year of \$2,847,469, mainly due to an increase in operating expenses. The other enterprise funds had expenses of \$3,098,366 and revenues, including transfers of \$2,989,016. This resulted in a decrease to net assets for the fiscal year of \$109,350, mainly due to an increase in operating expenses. Management assesses the performance of each of these funds to ensure that they are run efficiently.

The School District's Funds

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

Governmental Funds

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

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$58,494,595, a decrease of \$9,492,188 in comparison with the prior year. Approximately 82 percent of this total amount, \$47,862,243 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is not available for new spending because it is restricted by external parties, \$8,667,688; has already been assigned \$1,587,479 and for nonspendable inventory, \$377,185.

The General Fund is the chief operating fund of the District. The District's General Fund balance decreased by \$8,116,393, mainly due to increases in employee wages and benefits and increases in professional service fees. The table that follows assists in illustrating the revenues of the General Fund.

<u>Revenues</u>	<u>2011 Amount</u>	<u>Restated 2010 Amount</u>	<u>Percentage Change</u>
Taxes	\$ 56,431,269	\$ 54,876,690	3%
Interest earnings	146,817	330,185	(56)%
Intergovernmental	31,848,689	31,897,041	(0.14)%
Other revenue	<u>1,908,518</u>	<u>2,493,325</u>	(23)%
Total	\$ <u>90,335,293</u>	\$ <u>89,597,241</u>	

The property tax revenue increased \$1,554,579. This increase is directly related to the County estimate of delinquent collections due to the overall state of the economy.

Interest earnings decreased \$183,368 which is directly related to lower interest rates due to the state of the economy.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

Other revenue decreased \$584,807. This decrease is mainly due to a decrease in tuition revenue and other miscellaneous receipts.

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

<u>Expenditures by Function</u>	<u>2011 Amount</u>	<u>Restated 2010 Amount</u>	<u>Percentage Change</u>
Instruction	\$ 56,532,405	\$ 52,737,528	7%
Support services	40,220,468	39,994,572	1%
Other non-instructional services	134,563	121,712	11%
Food service operations	5,446	5,776	(6)%
Extracurricular activities	1,251,992	1,175,788	6%
Debt service	<u>236,489</u>	<u>370,917</u>	(36)%
Total	\$ <u>98,381,363</u>	\$ <u>94,406,293</u>	

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

Proprietary Funds

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

General Fund Budget Information

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2011, the District amended its budget to reflect the fluctuations of actual revenues received/collected. The District uses a modified site-based budgeting technique which is designed to tightly control site budgets but provide flexibility for site management.

The District's General Fund budget was prepared and approved at the fund level for fiscal year 2011. During the course of fiscal year 2011, the total budget was changed several times. For the General Fund, final budgeted revenues and other financing sources were \$115,666,360. Actual revenues and other financing sources for fiscal year 2011 were \$98,599,980. Actual differed from final budget mainly due to higher than anticipated collection of intergovernmental revenue and tuition and fees receipts. General Fund original appropriations and other financing uses of \$105,167,643 increased to \$132,180,516 in the final budget. The actual expenditures and other financing uses for fiscal year 2011 totaled \$105,258,426, which was \$26,922,090 less than the final budget appropriations. Actual differed from final budget mainly due to lower than anticipated salaries and wages expenses for regular and other instruction as well as prudent spending overall by the District in fiscal year 2011.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

Capital Assets

The District had \$35,756,857 invested in capital assets net of depreciation, with \$35,223,460 attributed to government activities. Net acquisition for government activities totaled \$3,371,150, depreciation was \$2,174,122 and net disposals totaled \$190,274. The majority of the additions were for school buses and other renovations and improvements. Detailed information regarding capital asset activities is included in the notes to the basic financial statements (Note 10).

Debt

At June 30, 2011, the District had \$14,890,000 in outstanding long-term bond debt and of this amount \$935,000 was due within one year. The District paid \$905,000 in principal on bonds outstanding. The District had capital leases of \$1,544,828 outstanding at June 30, 2011, with \$773,853 due within one year. The District paid \$910,920 on capital leases outstanding during the fiscal year ended June 30, 2011. Detailed information regarding long-term debt activity and capital lease obligations activity is included in the notes to the basic financial statements (Notes 15 and 16, respectively).

Economic Factors

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

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

Although the District will continue to rely primarily on local property taxes generated through periodic operating levies, HB 1 introduced a new evidence based model of state support shifting the focus from per pupil funding to units based upon numbers of staff. Unfortunately with the economy as it is, the State does not have the means to provide resources to fund the new model, and is phasing implementation in over the next 10 years. In the short-term, the District received 1% less in State funding in 2009-2010 than in the prior fiscal year and received 2% less in 2010-2011. In response to decreases in property tax revenue due to foreclosures and diminishing State funding, the District reduced the budget over \$3 million for the 2009-2010 school year, passed the 6.9 mill November 2011 levy and is reviewing various cost-savings initiatives.

Cleveland Heights-University Heights City School District

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

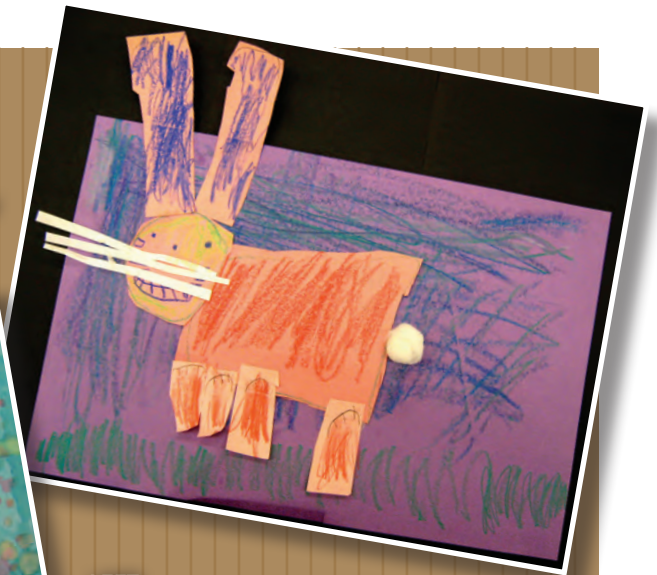
For the Fiscal Year Ended June 30, 2011

Contacting the School District's Financial Management

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



RIGHT:
SHANTINIECE ROBINSON
Grade K
Gearity Professional Development School



LEFT:
WILLIAM HOWE
Grade 2
Gearity Professional Development School



RIGHT:
KYNNEDY SMITH
Grade 2
Canterbury Elementary School



ABOVE:
JIMMY MARQUIS
Grade K
Gearity Professional Development School



LEFT:
MADISON RHEINHEIMER
Grade 5
Roxboro Elementary School

Basic Financial Statements



ABOVE:
MIKAEL HILL
Grade 2
Gearity Professional Development School



ABOVE:
ETHAN SMITH
Grade 3
Canterbury Elementary School



RIGHT:
JACK SPRINGER, IV
Grade 3
Fairfax Elementary School

LEFT:
CHRISTOPHER HAYES
Grade 3
Fairfax Elementary School



Cleveland Heights-University Heights City School District

Statement of Net Assets

June 30, 2011

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 42,636,404	\$ 749,042	\$ 43,385,446
Accounts receivable	61,197	27,406	88,603
Prepaid items	138,412	-	138,412
Intergovernmental receivable	2,914,429	790,674	3,705,103
Internal balances	9,161,128	(9,161,128)	-
Materials and supplies inventory	377,185	6,996	384,181
Inventory held for resale	-	20,194	20,194
Taxes receivable	69,814,089	-	69,814,089
Restricted cash and investments	6,322,852	-	6,322,852
Nondepreciable capital assets	2,734,613	-	2,734,613
Depreciable capital assets, net	<u>32,488,847</u>	<u>533,397</u>	<u>33,022,244</u>
Total assets	<u>166,649,156</u>	<u>(7,033,419)</u>	<u>159,615,737</u>
Liabilities:			
Accounts payable	1,513,869	51,910	1,565,779
Accrued wages and benefits	746,185	58,841	805,026
Matured compensated absences	206,409	-	206,409
Intergovernmental payable	3,148,256	170,995	3,319,251
Unearned revenue	51,165,530	-	51,165,530
Claims payable	1,886,600	-	1,886,600
Accrued interest payable	50,530	-	50,530
Long-term liabilities:			
Due within one year	2,101,453	20,332	2,121,785
Due in more than one year	<u>21,257,948</u>	<u>270,126</u>	<u>21,528,074</u>
Total liabilities	<u>82,076,780</u>	<u>572,204</u>	<u>82,648,984</u>
Net assets:			
Invested in capital assets, net of related debt	26,268,632	533,397	26,802,029
Restricted for:			
Capital projects	1,481,800	-	1,481,800
Debt service	656,723	-	656,723
Federal programs	364,493	-	364,493
Qualified Zone Academy Bond retirement	3,897,177	-	3,897,177
Unrestricted (deficit)	<u>51,903,551</u>	<u>(8,139,020)</u>	<u>43,764,531</u>
Total net assets (deficit)	\$ <u>84,572,376</u>	\$ <u>(7,605,623)</u>	\$ <u>76,966,753</u>

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

Cleveland Heights-University Heights City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2011

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Instruction:				
Regular	\$ 41,334,122	\$ 343,243	\$ 1,842,682	\$ -
Special	13,830,108	3,917,868	5,590,342	-
Vocational	2,075,152	-	293,148	-
Adult/continuing	346,356	-	444,629	-
Other instruction	5,341,468	-	-	-
Support services:				
Pupil	8,922,133	-	93,459	-
Instructional staff	6,158,641	-	-	-
Board of education	590,673	-	-	-
Administration	5,963,161	30,575	-	-
Fiscal	2,441,386	-	-	-
Business	1,583,775	-	-	-
Operations and maintenance of plant	12,471,455	-	-	-
Pupil transportation	4,499,491	121,733	-	-
Central	3,766,198	-	-	27,300
Operation of non-instructional services:				
Community services	2,538,766	-	1,562,377	-
Food service operations	5,485	-	-	-
Extracurricular activities	1,618,758	59,767	-	-
Interest and fiscal charges	519,722	-	-	-
Total governmental activities	<u>114,006,850</u>	<u>4,473,186</u>	<u>9,826,637</u>	<u>27,300</u>
Business-type activities:				
Food services	2,310,751	405,888	1,661,511	-
Uniform school supplies	31,350	30,361	-	-
Customer services	9,385	1,000	-	-
Community services/early childhood	746,880	720,938	-	-
Bellefaire General Rotary	3,459,420	611,951	-	-
Total business-type activities	<u>6,557,786</u>	<u>1,770,138</u>	<u>1,661,511</u>	<u>-</u>
Totals	\$ <u>120,564,636</u>	\$ <u>6,243,324</u>	\$ <u>11,488,148</u>	\$ <u>27,300</u>

General revenues:

Property taxes levies for:

 General purpose

 Debt service

 Capital projects

Grant and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

 Total general revenues

Transfers

 Total general revenues and transfers

Change in net assets

Net assets (deficit) at beginning of year, restated

Net assets (deficit) at end of year

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

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
\$ (39,148,197)	\$ -	\$ (39,148,197)
(4,321,898)	-	(4,321,898)
(1,782,004)	-	(1,782,004)
98,273	-	98,273
(5,341,468)	-	(5,341,468)
(8,828,674)	-	(8,828,674)
(6,158,641)	-	(6,158,641)
(590,673)	-	(590,673)
(5,932,586)	-	(5,932,586)
(2,441,386)	-	(2,441,386)
(1,583,775)	-	(1,583,775)
(12,471,455)	-	(12,471,455)
(4,377,758)	-	(4,377,758)
(3,738,898)	-	(3,738,898)
(976,389)	-	(976,389)
(5,485)	-	(5,485)
(1,558,991)	-	(1,558,991)
<u>(519,722)</u>	<u>-</u>	<u>(519,722)</u>
<u>(99,679,727)</u>	<u>-</u>	<u>(99,679,727)</u>
-	(243,352)	(243,352)
-	(989)	(989)
-	(8,385)	(8,385)
-	(25,942)	(25,942)
<u>-</u>	<u>(2,847,469)</u>	<u>(2,847,469)</u>
<u>-</u>	<u>(3,126,137)</u>	<u>(3,126,137)</u>
<u>(99,679,727)</u>	<u>(3,126,137)</u>	<u>(102,805,864)</u>
57,099,411	-	57,099,411
604,768	-	604,768
2,748,213	-	2,748,213
31,992,845	-	31,992,845
306,230	-	306,230
<u>652,057</u>	<u>-</u>	<u>652,057</u>
93,403,524	-	93,403,524
<u>(169,318)</u>	<u>169,318</u>	<u>-</u>
<u>93,234,206</u>	<u>169,318</u>	<u>93,403,524</u>
(6,445,521)	(2,956,819)	(9,402,340)
<u>91,017,897</u>	<u>(4,648,804)</u>	<u>86,369,093</u>
\$ <u>84,572,376</u>	\$ <u>(7,605,623)</u>	\$ <u>76,966,753</u>

Cleveland Heights-University Heights City School District

Balance Sheet – Governmental Funds

June 30, 2011

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 34,160,748	\$ 2,624,231	\$ 36,784,979
Accounts receivable	61,197	-	61,197
Intergovernmental receivable	1,677,334	1,237,095	2,914,429
Interfund receivable	10,906,038	-	10,906,038
Materials and supplies inventory	377,185	-	377,185
Taxes receivable	65,753,018	4,061,071	69,814,089
Restricted cash and investments	<u>2,425,675</u>	<u>3,897,177</u>	<u>6,322,852</u>
Total assets	<u>\$ 115,361,195</u>	<u>\$ 11,819,574</u>	<u>\$ 127,180,769</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 1,142,292	\$ 371,577	\$ 1,513,869
Accrued wages and benefits	697,647	48,538	746,185
Interfund payable	-	1,744,910	1,744,910
Matured compensated absences	206,409	-	206,409
Intergovernmental payable	2,291,899	180,371	2,472,270
Deferred revenue	<u>57,412,107</u>	<u>4,590,424</u>	<u>62,002,531</u>
Total liabilities	<u>61,750,354</u>	<u>6,935,820</u>	<u>68,686,174</u>
Fund balances:			
Nonspendable	377,185	-	377,185
Restricted	2,425,675	6,242,013	8,667,688
Assigned	1,587,479	-	1,587,479
Unassigned	<u>49,220,502</u>	<u>(1,358,259)</u>	<u>47,862,243</u>
Total fund balances	<u>53,610,841</u>	<u>4,883,754</u>	<u>58,494,595</u>
Total liabilities and fund balances	<u>\$ 115,361,195</u>	<u>\$ 11,819,574</u>	<u>\$ 127,180,769</u>

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

Cleveland Heights-University Heights City School District

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

June 30, 2011

Total governmental funds balances \$ 58,494,595

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 35,223,460

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

Property and other taxes	\$ 8,033,304	
Tuition	1,639,308	
Grants	<u>1,164,389</u>	
Total		10,837,001

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 3,427,251

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

Energy Conservation Bonds	(1,910,000)	
Library Improvement Bonds	(7,480,000)	
Qualified Zone Academy Bonds	(5,500,000)	
Capital leases	(1,544,828)	
Accrued interest payable	(50,530)	
Early retirement incentive	(1,316,000)	
Compensated absences	<u>(5,608,573)</u>	
Total		<u>(23,409,931)</u>

Net assets of governmental activities \$ 84,572,376

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 56,431,269	\$ 3,310,511	\$ 59,741,780
Intergovernmental	31,848,689	13,346,330	45,195,019
Tuition and fees	919,510	-	919,510
Earnings on investments	146,817	159,413	306,230
Extracurricular activities	133,953	59,767	193,720
Classroom materials and fees	7,769	-	7,769
Miscellaneous	847,286	62,258	909,544
Total revenues	<u>90,335,293</u>	<u>16,938,279</u>	<u>107,273,572</u>
Expenditures:			
Current:			
Instruction:			
Regular	39,220,852	1,423,792	40,644,644
Special	9,969,917	3,899,189	13,869,106
Vocational	1,903,557	230,227	2,133,784
Adult/continuing	96,611	255,197	351,808
Other instruction	5,341,468	-	5,341,468
Support services:			
Pupil	8,059,145	1,000,656	9,059,801
Instructional staff	3,388,444	2,540,733	5,929,177
Board of education	590,673	-	590,673
Administration	5,435,206	795,948	6,231,154
Fiscal	2,350,860	90,293	2,441,153
Business	1,867,829	-	1,867,829
Operations and maintenance of plant	10,377,801	3,289,323	13,667,124
Pupil transportation	4,600,918	59,538	4,660,456
Central	3,549,592	236,859	3,786,451
Operation of non-instructional services:			
Community services	11,451	2,344,735	2,356,186
Other non-instructional services	123,112	-	123,112
Food service operations	5,446	-	5,446
Extracurricular activities	1,251,992	334,278	1,586,270
Debt services:			
Principal	219,768	1,596,152	1,815,920
Interest and fiscal charges	<u>16,721</u>	<u>515,505</u>	<u>532,226</u>
Total expenditures	<u>98,381,363</u>	<u>18,612,425</u>	<u>116,993,788</u>
Excess of revenues over (under) expenditures	<u>(8,046,070)</u>	<u>(1,674,146)</u>	<u>(9,720,216)</u>

Continued

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):			
Inception of capital leases	397,346	-	397,346
Transfers - in	-	1,303,351	1,303,351
Transfers - out	<u>(467,669)</u>	<u>(1,005,000)</u>	<u>(1,472,669)</u>
Total other financing sources (uses)	<u>(70,323)</u>	<u>298,351</u>	<u>228,028</u>
Net change in fund balance	(8,116,393)	(1,375,795)	(9,492,188)
Fund balance at beginning of year, restated	<u>61,727,234</u>	<u>6,259,549</u>	<u>67,986,783</u>
Fund balance at end of year	\$ <u>53,610,841</u>	\$ <u>4,883,754</u>	\$ <u>58,494,595</u>

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

Net change in fund balances - total governmental funds \$ (9,492,188)

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

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

Capital outlay	\$ 3,371,150	
Depreciation	<u>(2,174,122)</u>	
Total		1,197,028

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal (190,274)

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

Delinquent property and other taxes	710,612	
Tuition	1,066,077	
Intergovernmental	<u>(1,319,614)</u>	
Total		457,075

Internal service funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities. 767,985

Other financing sources in the governmental funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to the inception of capital leases. (397,346)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets 1,815,920

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

Early retirement incentive	(1,100,000)	
Compensated absences	483,775	
Accrued interest	<u>12,504</u>	
Total		<u>(603,721)</u>

Change in net assets of governmental activities \$ (6,445,521)

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 62,200,000	\$ 62,262,000	\$ 62,845,617	\$ 583,617
Intergovernmental	30,125,000	49,283,960	31,862,142	(17,421,818)
Tuition and fees	1,125,000	1,125,000	923,969	(201,031)
Earnings on investments	400,000	176,000	180,655	4,655
Miscellaneous	510,000	639,400	608,197	(31,203)
Total revenues	<u>94,360,000</u>	<u>113,486,360</u>	<u>96,420,580</u>	<u>(17,065,780)</u>
Expenditures:				
Current:				
Instruction:				
Regular	37,138,392	39,014,050	38,828,574	185,476
Special	10,696,210	10,043,858	10,037,350	6,508
Vocational	1,931,360	2,008,532	1,904,645	103,887
Adult/continuing	-	102,200	95,855	6,345
Other instruction	5,577,757	6,323,757	5,898,622	425,135
Support services:				
Pupil	8,572,297	8,287,274	8,102,444	184,830
Instructional staff	6,814,699	6,782,370	3,764,985	3,017,385
Board of education	579,758	621,029	583,695	37,334
Administration	5,704,736	5,648,901	5,488,090	160,811
Fiscal	2,190,362	2,380,801	2,352,715	28,086
Business	1,630,390	1,864,662	1,765,765	98,897
Operation and maintenance of plant	12,612,360	12,709,671	11,166,406	1,543,265
Pupil transportation	5,454,021	5,223,181	4,706,247	516,934
Central	3,886,637	3,993,835	3,574,174	419,661
Operation of non-instructional services:				
Community services	20,451	20,451	11,451	9,000
Other non-instructional services	212,410	212,410	122,801	89,609
Food service operations	-	7,600	5,722	1,878
Extracurricular activities:				
Academic and subject oriented	751,463	751,463	351,391	400,072
Occupation oriented	1,497	4,814	3,814	1,000
Sports oriented	392,843	805,261	805,261	-
Co-curricular activities	-	76,750	76,750	-
Total expenditures	<u>104,167,643</u>	<u>106,882,870</u>	<u>99,646,757</u>	<u>7,236,113</u>
Excess of revenues over (under) expenditures	<u>(9,807,643)</u>	<u>6,603,490</u>	<u>(3,226,177)</u>	<u>(9,829,667)</u>

Continued

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - out	(250,000)	(19,403,646)	(467,669)	18,935,977
Advances - in	2,180,000	2,180,000	2,179,400	(600)
Advances - out	<u>(750,000)</u>	<u>(5,894,000)</u>	<u>(5,144,000)</u>	<u>750,000</u>
Total other financing sources (uses)	<u>1,180,000</u>	<u>(23,117,646)</u>	<u>(3,432,269)</u>	<u>19,685,377</u>
Net change in fund balance	(8,627,643)	(16,514,156)	(6,658,446)	9,855,710
Fund balance beginning of year	38,050,333	38,050,333	38,050,333	-
Prior year encumbrances appropriated	<u>2,595,974</u>	<u>2,595,974</u>	<u>2,595,974</u>	<u>-</u>
Fund balance end of year	\$ <u>32,018,664</u>	\$ <u>24,132,151</u>	\$ <u>33,987,861</u>	\$ <u>9,855,710</u>

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

Cleveland Heights-University Heights City School District

Statement of Fund Net Assets – Proprietary Funds

June 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Activities
	General	Enterprise		Internal
	Rotary			Service
				Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 334,675	\$ 414,367	\$ 749,042	\$ 5,851,425
Accounts receivable	-	27,406	27,406	-
Prepaid items	-	-	-	138,412
Intergovernmental receivable	790,674	-	790,674	-
Materials and supplies inventory	-	6,996	6,996	-
Inventory held for resale	-	20,194	20,194	-
Total current assets	<u>1,125,349</u>	<u>468,963</u>	<u>1,594,312</u>	<u>5,989,837</u>
Non-current assets:				
Capital assets, net of depreciation	-	533,397	533,397	-
Total assets	<u>1,125,349</u>	<u>1,002,360</u>	<u>2,127,709</u>	<u>5,989,837</u>
Liabilities:				
Current liabilities:				
Accounts payable	-	51,910	51,910	-
Accrued wages and benefits	11,264	47,577	58,841	-
Interfund payable	7,677,960	1,483,168	9,161,128	-
Intergovernmental payable	79,457	91,538	170,995	675,986
Claims payable	-	-	-	1,886,600
Current portion of accrued compensated absences	<u>14,592</u>	<u>5,740</u>	<u>20,332</u>	<u>-</u>
Total current liabilities	<u>7,783,273</u>	<u>1,679,933</u>	<u>9,463,206</u>	<u>2,562,586</u>
Non-current liabilities:				
Accrued compensated absences	<u>193,864</u>	<u>76,262</u>	<u>270,126</u>	<u>-</u>
Total liabilities	<u>7,977,137</u>	<u>1,756,195</u>	<u>9,733,332</u>	<u>2,562,586</u>
Net assets:				
Invested in capital assets	-	533,397	533,397	-
Unrestricted (deficit)	<u>(6,851,788)</u>	<u>(1,287,232)</u>	<u>(8,139,020)</u>	<u>3,427,251</u>
Total net assets (deficit)	\$ <u>(6,851,788)</u>	\$ <u>(753,835)</u>	\$ <u>(7,605,623)</u>	\$ <u>3,427,251</u>

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire General Rotary	Nonmajor Enterprise	Total	Internal Service Funds
Operating revenues:				
Tuition and fees	\$ 611,951	\$ 720,938	\$ 1,332,889	\$ -
Charges for services	-	-	-	815,114
Classroom materials and fees	-	14,746	14,746	-
Food services	-	405,888	405,888	-
Claims	-	-	-	22,016,076
Miscellaneous	-	16,615	16,615	-
Total operating revenues	<u>611,951</u>	<u>1,158,187</u>	<u>1,770,138</u>	<u>22,831,190</u>
Operating expenses:				
Salaries and wages	2,142,416	1,107,559	3,249,975	25,000
Fringe benefits	755,263	453,659	1,208,922	21,959,498
Purchased services	528,995	1,333,148	1,862,143	78,707
Supplies and materials	32,746	165,341	198,087	-
Depreciation	-	38,659	38,659	-
Total operating expenses	<u>3,459,420</u>	<u>3,098,366</u>	<u>6,557,786</u>	<u>22,063,205</u>
Operating income (loss)	<u>(2,847,469)</u>	<u>(1,940,179)</u>	<u>(4,787,648)</u>	<u>767,985</u>
Non-operating revenues:				
Federal donated commodities	-	113,596	113,596	-
Intergovernmental grants	-	1,547,915	1,547,915	-
Total non-operating revenues	<u>-</u>	<u>1,661,511</u>	<u>1,661,511</u>	<u>-</u>
Net income (loss) before transfers	(2,847,469)	(278,668)	(3,126,137)	767,985
Transfers	-	169,318	169,318	-
Net income (loss)	(2,847,469)	(109,350)	(2,956,819)	767,985
Total net assets (deficit) at beginning of year, restated	<u>(4,004,319)</u>	<u>(644,485)</u>	<u>(4,648,804)</u>	<u>2,659,266</u>
Total net assets (deficit) at end of year	\$ <u>(6,851,788)</u>	\$ <u>(753,835)</u>	\$ <u>(7,605,623)</u>	\$ <u>3,427,251</u>

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

Cleveland Heights-University Heights City School District

Statement of Cash Flows – Proprietary Funds

For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Internal
	General	Enterprise		Service
	Rotary			Funds
Increase in cash and cash equivalents:				
Cash flows from operating activities:				
Cash received from customers	\$ 1,556,115	\$ 1,127,772	\$ 2,683,887	\$ 22,020,788
Cash received from claims	-	-	-	815,114
Cash received from other operating sources	-	16,615	16,615	-
Cash payments for materials and supplies	(32,746)	(50,293)	(83,039)	-
Cash payments for goods and services	(612,529)	(1,332,181)	(1,944,710)	(10,396,990)
Cash payments to employees for services	(2,142,752)	(1,092,289)	(3,235,041)	(25,000)
Cash payments for employee benefits	(772,400)	(452,572)	(1,224,972)	-
Cash payments for claims	-	-	-	(11,742,957)
Net cash provided by (used for) operating activities	<u>(2,004,312)</u>	<u>(1,782,948)</u>	<u>(3,787,260)</u>	<u>670,955</u>
Cash flows from non-capital financing activities:				
Intergovernmental grants received	-	1,775,775	1,775,775	-
Transfers - in	-	169,318	169,318	-
Advances - in	3,050,000	400,000	3,450,000	-
Advances - out	(790,000)	(197,000)	(987,000)	-
Net cash provided by non-capital financing activities	<u>2,260,000</u>	<u>2,148,093</u>	<u>4,408,093</u>	<u>-</u>
Net increase in cash and cash equivalents	255,688	365,145	620,833	670,955
Cash and cash equivalents at beginning of year	<u>78,987</u>	<u>49,222</u>	<u>128,209</u>	<u>5,180,470</u>
Cash and cash equivalents at end of year	<u>\$ 334,675</u>	<u>\$ 414,367</u>	<u>\$ 749,042</u>	<u>\$ 5,851,425</u>
Non-cash capital and non-capital financing activities:				
Federal donated commodities	\$ -	\$ 113,596	\$ 113,596	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (2,847,469)	\$ (1,940,179)	\$ (4,787,648)	\$ 767,985
Adjustments:				
Depreciation	-	38,659	38,659	-
Federal donated commodities	-	113,596	113,596	-
Changes in assets/liabilities:				
(Increase) decrease in accounts receivable	-	(13,800)	(13,800)	4,712
Increase in prepaid items	-	-	-	(8,969)
Decrease in intergovernmental receivable	944,164	-	944,164	-
(Increase) in materials and supplies inventories	-	(2,727)	(2,727)	-
Decrease in inventory held for resale	-	4,179	4,179	-
(Decrease) increase in accounts payable	(83,534)	967	(82,567)	(7,419)
(Decrease) increase in accrued wages and benefits	(336)	15,270	14,934	-
Increase (decrease) in intergovernmental payable	3,127	5,583	8,710	(136,254)
(Decrease) in accrued compensated absences	(20,264)	(4,496)	(24,760)	-
Increase in claims payable	-	-	-	<u>50,900</u>
Total adjustments	<u>843,157</u>	<u>157,231</u>	<u>1,000,388</u>	<u>(97,030)</u>
Net cash provided by (used for) operating activities	<u>\$ (2,004,312)</u>	<u>\$ (1,782,948)</u>	<u>\$ (3,787,260)</u>	<u>\$ 670,955</u>

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

Cleveland Heights-University Heights City School District

Statement of Fiduciary Assets and Liabilities – Fiduciary Funds

June 30, 2011

	Student Managed Activity Agency Fund
Assets:	
Equity in pooled cash and investments	\$ <u>58,861</u>
Liabilities:	
Accounts payable	\$ 2,310
Due to students	<u>56,551</u>
Total liabilities	\$ <u>58,861</u>

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies

A. Description of the School District and Reporting Entity

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education (the “Board”) controls the District’s twelve instructional/support facilities staffed by 446 classified employees, 520 certificated full-time teaching personnel and approximately 48 administrators who provide services to 5,870 students and other community members.

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

B. Fund Accounting

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

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

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

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

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

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

C. Basis of Presentation

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

C. Basis of Presentation (continued)

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

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

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

D. Basis of Accounting

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

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

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

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

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

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

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

E. Budgets

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

E. Budgets (continued)

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

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

F. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash and investments” on the financial statements. During fiscal year 2011, investments were limited to United States government securities and State Treasury Asset Reserve of Ohio (STAROhio).

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

The District has invested funds in STAROhio during fiscal year 2011. STAROhio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price, which is the price the investment could be sold for on June 30, 2011.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2011 amounted to \$146,817. The amount allocated from the other funds during fiscal year 2011 amounted to \$36,009.

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

G. Restricted Assets

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

I. Inventory

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

J. Capital Assets

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

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

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

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

K. Interfund Transactions

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

L. Compensated Absences

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

M. Accrued Liabilities and Long-term Obligations

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

N. Fund Balance

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

N. Fund Balance (continued)

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (Board of Education's Resolutions).

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

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of Board of Education. Those committed amounts cannot be used for any other purpose unless the District Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be re-deployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the District Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District Board or a District official delegated that authority by the District Board of Education.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those capital assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2011, the District did not have net assets restricted by enabling legislation.

P. Operating Revenues and Expenses

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

Q. Interfund Activity

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. During fiscal year 2011, the District had neither extraordinary items nor special items.

S. Estimates

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

T. Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 23, 2011, the date the financial statements were available to be issued.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 2: Change in Accounting Principles and Restatement of Fund Balances and Net Assets

A. Change in Accounting Principles

For fiscal 2011, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 59, *Financial Instruments Omnibus*.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification and restatement of the District's financial statements.

GASB Statement No. 59 establishes standards for financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The implementation of this statement did not result in any change to District's financial statements.

B. Restatement of Prior Year's Fund Balances and Net Assets

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balance at June 30, 2010	\$ 61,280,923	\$ 6,705,860	\$ 67,986,783
Change in fund structure	<u>446,311</u>	<u>(446,311)</u>	<u>-</u>
Restated fund balance at June 30, 2010	\$ <u>61,727,234</u>	\$ <u>6,259,549</u>	\$ <u>67,986,783</u>

During fiscal year 2011, the District hired Valuation Engineers to re-value their capital assets. Their re-valuation had the following effect on net assets at June 30, 2010:

	Governmental Activities	Business-Type Activities	Total
Net assets at June 30, 2010	\$ 99,662,941	\$ (4,450,130)	\$ 95,212,811
Restatement of capital assets	<u>(8,645,044)</u>	<u>(198,674)</u>	<u>(8,843,718)</u>
Restated net assets at June 30, 2010	\$ <u>91,017,897</u>	\$ <u>(4,648,804)</u>	\$ <u>86,369,093</u>

The Bellefaire General Rotary Fund was restated from \$(3,990,040) to \$(4,004,319) and the Nonmajor Enterprise Funds were restated from \$(460,090) to \$(644,485) to account for the total Business-Type Activities capital assets restatement above.

Note 3: Accountability

The following funds had deficit fund balances/net assets at June 30, 2011:

Special Revenue Funds:

Educational Management Information System	\$ 348,559
Public School Preschool Grant	20,335

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 3: Accountability (continued)

Special Revenue Funds (continued):

Stimulus - School Improvement	125,315
Ohio Reads	12,158
Summer School Subsidy	19,312
Education Jobs	15,948
Alternative School Grant	5,869
Adult Basic Education	43,712
Idea (Flo-Thru)	485,016
Vocational Education	42,257
Race to the Top	6,436
Title I Improvement	6,709
Title III	7,255
Title I	197,856
Title V Innovation	2,698
Drug Free Schools	3,779
Preschool Disabilities Grant	1,831
Title II-A Improving Teacher Quality	13,214

Enterprise Funds:

Bellefaire General Rotary	6,851,788
Food Services	1,118,672

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

Note 4: Budgetary Basis of Accounting

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 4: Budgetary Basis of Accounting (continued)

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

	<u>General</u>
GAAP Basis	\$ (8,116,393)
Revenue Accruals	6,041,683
Advances - in	2,179,400
Expenditure Accruals	530,496
Advances - out	(5,144,000)
Encumbrances	(2,045,821)
To reclassify the net change in fund balance for funds combined with the General Fund	<u>(103,811)</u>
Budget Basis	\$ <u><u>(6,658,446)</u></u>

Note 5: Fund Balances

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

<u>Fund</u>	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Inventory	\$ <u>377,185</u>	\$ <u>-</u>	\$ <u>377,185</u>
Restricted for:			
Community activities	-	327,234	327,234
Athletics	-	71,081	71,081
Auxiliary services	-	100,810	100,810
Technology improvements	-	12,443	12,443
Adult education	-	1,771	1,771
Miscellaneous State and federal grants	-	111,342	111,342
Textbooks	2,425,675	-	2,425,675
Debt service payments	-	619,703	619,703
Capital improvements	-	<u>4,997,629</u>	<u>4,997,629</u>
Total restricted	<u>2,425,675</u>	<u>6,242,013</u>	<u>8,667,688</u>
Assigned to:			
Other purposes	<u>1,587,479</u>	<u>-</u>	<u>1,587,479</u>
Unassigned (deficit)	<u>49,220,502</u>	<u>(1,358,259)</u>	<u>47,862,243</u>
Total	\$ <u><u>53,610,841</u></u>	\$ <u><u>4,883,754</u></u>	\$ <u><u>58,494,595</u></u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 6: Deposits and Investments

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

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 6: Deposits and Investments (continued)

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

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

Deposits

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

At year-end, the carrying amount of the District's deposits was \$43,312,929 and the bank balance was \$44,294,158. Of the bank balance, \$6,000,000 was covered by Federal depository insurance and \$38,294,158 was uninsured and was collateralized with securities held by the pledging institution's trust department, not in the District's name. At fiscal year-end, the District had \$3,381 undeposited cash on hand, which is included on the balance sheet of the District as part of "equity in pooled cash and investments".

Investments

Investments are reported as fair value. As of June 30, 2011, the District had the following investments:

	<u>Fair Value</u>	<u>Maturity Date</u>
STAROhio	\$ 2,556,317	July 2011
Federal Home Loan Mortgage Corporation	<u>3,894,532</u>	October 14, 2011
Total portfolio	<u>\$ 6,450,849</u>	

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 6: Deposits and Investments (continued)

Investments (continued)

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

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

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

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires that no more than twenty-five percent of the District's interim monies shall be invested in either commercial paper notes or bankers' acceptances. The following is the District's allocation as of June 30, 2011:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal Home Loan Mortgage Corporation	60.4%
STAROhio	39.6%

Note 7: Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 7: Property Taxes (continued)

Public utility property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2010 (other than public utility property) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Calendar year 2010 is the last year for the collection of tangible personal property taxes from telephone companies. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable include the late settlement of personal property, real property and public utility property which are measurable as of June 30, 2011, and for which there is an enforceable legal claim.

Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30th was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue. The amount available as an advance at June 30, 2011, was \$9,974,380 in the General Fund, \$115,692 in the Debt Service Fund, and \$519,344 was available to the Permanent Improvement Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred. The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010		2011	
	<u>Second-Half Collections</u>		<u>First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,131,890,150	98.87%	\$ 1,133,384,720	98.84%
Public utility	12,905,470	1.13%	13,289,430	1.16%
Tangible personal property	-	0.00%	-	0.00%
	<u>\$ 1,144,795,620</u>	<u>100.00%</u>	<u>\$ 1,146,674,150</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 136.80		\$ 136.80

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 8: Interfund Transactions

Interfund transactions for the year ended June 30, 2011 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,744,910
General Fund	Bellefaire General Rotary Fund	7,677,960
General Fund	Nonmajor Enterprise Funds	<u>1,483,168</u>
		\$ <u>10,906,038</u>

All balances resulted from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2011, all interfund loans outstanding are anticipated to be repaid in the fiscal year 2012. Interfund balances of \$9,161,128 on the government-wide financial statements are a result of advances for reimbursements due from operations and intrafund balances of \$1,744,910 being eliminated.

Interfund transfers for the year ended June 30, 2011, consisted of the following:

	<u>Amount</u>
Transfers from General Fund to:	
Nonmajor Governmental Funds	\$ 298,351
Nonmajor Business-Type Funds	<u>169,318</u>
Total transfers from General Fund	467,669
Transfer from Permanent Improvement Fund to:	
Debt Service Fund	<u>1,005,000</u>
	\$ <u>1,472,669</u>

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 9: Receivables

Receivables at June 30, 2011, consisted of taxes, accounts (rent and student fees), tuition and intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>	
Governmental activities:		
Tuition - special education	\$ 1,639,308	
Miscellaneous reimbursements	10,778	
Fuel reimbursements	27,248	
Significant Competitive grant	124,381	
Race to the Top grant	16,502	
Adult Basic-Education grant	59,767	
Idea (flo thru) grant	605,028	
Carl D. Perkins grant	31,152	
Safe and Drug Free Schools grant	3,368	
Title I grants	316,136	
Title III grant	1,616	
Early Childhood Education grant	5,545	
Title II-A grant	14,112	
Foreign Language Assistance Program grant	<u>59,488</u>	
Total governmental activities		2,914,429
Business-type activities:		
Bellefaire tuition		<u>790,674</u>
Total governmental activities		<u>\$ 3,705,103</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 10: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Restated Balance at 6/30/10	Additions	Disposals	Balance at 6/30/11
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>853,179</u>	<u>1,598,324</u>	<u>(1,698,513)</u>	<u>752,990</u>
Total capital assets, not being depreciated	<u>2,834,802</u>	<u>1,598,324</u>	<u>(1,698,513)</u>	<u>2,734,613</u>
Capital assets, being depreciated:				
Land improvements	4,145,861	596,137	-	4,741,998
Buildings and improvements	45,162,418	1,717,688	-	46,880,106
Vehicles	3,470,744	725,185	(439,369)	3,756,560
Furniture and equipment	<u>6,446,713</u>	<u>432,329</u>	<u>(407,459)</u>	<u>6,471,583</u>
Total capital assets, being depreciated	<u>59,225,736</u>	<u>3,471,339</u>	<u>(846,828)</u>	<u>61,850,247</u>
Less accumulated depreciation:				
Land improvements	(1,900,986)	(163,406)	-	(2,064,392)
Buildings and improvements	(20,300,506)	(1,121,917)	-	(21,422,423)
Vehicles	(2,146,474)	(310,679)	368,170	(2,088,983)
Furniture and equipment	<u>(3,495,866)</u>	<u>(578,120)</u>	<u>288,384</u>	<u>(3,785,602)</u>
Total accumulated depreciation	<u>(27,843,832)</u>	<u>(2,174,122)</u>	<u>656,554</u>	<u>(29,361,400)</u>
Total capital assets being depreciated, net	<u>31,381,904</u>	<u>1,297,217</u>	<u>(190,274)</u>	<u>32,488,847</u>
Governmental activities capital assets, net	\$ <u>34,216,706</u>	\$ <u>2,895,541</u>	\$ <u>(1,888,787)</u>	\$ <u>35,223,460</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 10: Capital Assets (continued)

	Restated Balance at 6/30/10	Additions	Disposals	Balance at 6/30/11
Business-type activities:				
Capital assets, being depreciated:				
Land improvements	\$ 6,274	\$ -	\$ -	\$ 6,274
Buildings and improvements	1,250,810	-	-	1,250,810
Furniture and equipment	<u>573,856</u>	<u>-</u>	<u>-</u>	<u>573,856</u>
Total capital assets, being depreciated	<u>1,830,940</u>	<u>-</u>	<u>-</u>	<u>1,830,940</u>
Less accumulated depreciation:				
Land improvements	(6,156)	(118)	-	(6,274)
Buildings and improvements	(882,166)	(13,762)	-	(895,928)
Furniture and equipment	<u>(370,562)</u>	<u>(24,779)</u>	<u>-</u>	<u>(395,341)</u>
Total accumulated depreciation	<u>(1,258,884)</u>	<u>(38,659)</u>	<u>-</u>	<u>(1,297,543)</u>
Business-type activities capital assets, net	\$ <u>572,056</u>	\$ <u>(38,659)</u>	\$ <u>-</u>	\$ <u>533,397</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 365,061
Vocational	7,785
Support services:	
Instructional staff	334,197
Administration	18,935
Fiscal	900
Business	115,357
Operations and maintenance of plant	948,917
Pupil transportation	318,568
Central	36,123
Community services	9,243
Extracurricular activities	<u>19,036</u>
	\$ <u>2,174,122</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 11: Risk Management

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2011, the District contracted with several companies for various types of insurance as follows:

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

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

B. Workers Compensation

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 11: Risk Management (continued)

C. Employee Medical Benefits

The District is self-insured for medical, dental, vision and prescription of District employees and their covered dependents. Under the program, the District is obligated for claim payments. Incurred but not reported claims of \$1,886,600 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2011, based on an estimate from a third-party administrator. Individual funds are charged for medical expenses based on an estimate of total cost for the District as prepared by the plan administrator, and are recorded as revenues of the Self-Insurance Internal Service Fund.

The claims liability of \$1,886,600 reported in the Self-Insurance Internal Service Fund at June 30, 2011, is based on an estimate provided by the third-party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2009, 2010, and 2011 are as follows:

	Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
June 30, 2009	\$ 1,780,200	\$ 10,147,424	\$ 10,059,224	\$ 1,868,400
June 30, 2010	1,868,400	10,762,789	10,795,489	1,835,700
June 30, 2011	1,835,700	11,143,415	11,092,515	1,886,600

Note 12: Defined Benefit Pension Plans

A. School Employees Retirement System

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ended June 30 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate was allocated to the Health Care and Medicare B Funds.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 12: Defined Benefit Pension Plans (continued)

A. School Employees Retirement System (continued)

For fiscal year ending June 30, 2011, the allocation to pension and death benefits is 12.78 percent. The District's required contributions for pension obligations to SERS for the years ended June 30, 2011, 2010 and 2009 were \$2,035,702, \$2,027,138, and \$2,000,822, respectively; 88.68 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report. Copies of the report can be requested by visiting the STRS Ohio Web site at www.strsoh.org.

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

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

The DC Plan benefits are established under Sections 3307.80 and 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5 percent are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 12: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

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

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

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

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

Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, 2010, and 2009, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009, were \$7,311,793, \$6,724,117, and \$6,507,159 respectively; 91.23 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$267,872 made by the District and \$191,337 made by the plan members.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 13: Post-Employment Benefits

A. School Employees Retirement System

The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by SERS for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$110,510, \$110,045, and \$111,474, respectively; 88.68 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Health Care Plan is funded through employer contributions as set forth in ORC 3309.375 and 3309.69 to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the fiscal year ended June 30, 2011, the health care allocation was 1.43 percent. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. State law provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. For the fiscal years ended June 30, 2011, 2010 and 2009 the School District's contributions assigned to health care were \$438,353, \$292,008, and \$815,326, respectively; 88.68 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 13: Post-Employment Benefits (continued)

B. State Teachers Retirement System

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

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

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the fiscal year ended June 30, 2011, 2010, and 2009 the District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$522,271, \$480,294, and \$464,797, respectively; 91.23 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

Note 14: Employee Benefits

A. Compensated Absences

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 14: Employee Benefits (continued)

B. Early Retirement Incentive

The District offers employees participation in a Retirement Incentive program beginning after the 2000-2001 school year. Participation is open to teachers who have been employed by the District for at least ten years and who opt to retire at the end of any school year and have been approved by STRS to receive retirement benefits other than disability retirement with thirty years or fewer of service credit. Eligible employees must notify the Board of their intention to retire in writing, no later than March 1 of the year they intend to retire. Eligible employees who fulfill the above requirements will receive two equal lump sums of \$12,000, one on or before July 1 of the calendar year of retirement and the second on the following July 1 or before. Certain classified employees are also eligible to receive a retirement incentive. Effective for fiscal year 2011, employees meeting the requirements above will receive two equal lump sums of \$28,000, one on or before July 1 of the calendar year of retirement and the second on, or prior to, the following July 1.

The last installment of the 2010-2011 and the first installment of the 2011-2012 Retirement Incentive programs were paid prior to June 30, 2011. These payments of \$1,532,000 and \$12,000 were made from the General Fund and Bellefaire General Rotary Fund, respectively.

The last installment of the 2011-2012 Retirement Incentive Program will be paid starting, January 2012 and completed by July 1, 2012. These payments of \$1,316,000 will be made from the General Fund and is reported on the government-wide financial statements.

Note 15: Long - Term Liabilities

The changes in the District's long-term obligations during fiscal year 2011 were as follows:

	Principal Outstanding 6/30/10	Additions	Deletions	Principal Outstanding at 6/30/11	Amounts Due in One Year
Governmental activities:					
2003 \$5,800,000 Energy Conservation Bonds - variable	\$ 2,505,000	\$ -	\$ 595,000	\$ 1,910,000	\$ 615,000
2002 \$9,499,990 Library Improvement Bonds - variable interest rate	7,790,000	-	310,000	7,480,000	320,000
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital lease obligations	2,058,402	397,346	910,920	1,544,828	773,853
Early retirement incentive	216,000	2,632,000	1,532,000	1,316,000	-
Compensated absences	<u>6,092,348</u>	<u>637,944</u>	<u>1,121,719</u>	<u>5,608,573</u>	<u>392,600</u>
Total governmental long-term liabilities	\$ <u>24,161,750</u>	\$ <u>3,667,290</u>	\$ <u>4,469,639</u>	\$ <u>23,359,401</u>	\$ <u>2,101,453</u>
Business-type activities:					
Early retirement incentive	\$ 12,000	\$ -	\$ 12,000	\$ -	\$ -
Compensated absences	<u>303,218</u>	<u>36,197</u>	<u>48,957</u>	<u>290,458</u>	<u>20,332</u>
Total business-type activities	\$ <u>315,218</u>	\$ <u>36,197</u>	\$ <u>60,957</u>	\$ <u>290,458</u>	\$ <u>20,332</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 15: Long - Term Liabilities (continued)

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

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

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

The legal debt margin of the District as of June 30, 2011, was \$94,430,377 with an unvoted debt margin of \$1,146,674.

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2011, are as follows:

	Energy Conservation Bonds			Library Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2012	\$ 615,000	\$ 59,388	\$ 674,388	\$ 320,000	\$ 362,752	\$ 682,752	\$ 1,357,140
2013	635,000	37,513	672,513	335,000	348,174	683,174	1,355,687
2014	660,000	13,200	673,200	350,000	332,586	682,586	1,355,786
2015	-	-	-	365,000	315,959	680,959	680,959
2016	-	-	-	385,000	298,141	683,141	683,141
2017-2021	-	-	-	2,225,000	1,178,953	3,403,953	3,403,953
2022-2026	-	-	-	2,840,000	545,759	3,385,759	3,385,759
2027-2031	-	-	-	660,000	16,913	676,913	676,913
Total	\$ <u>1,910,000</u>	\$ <u>110,101</u>	\$ <u>2,020,101</u>	\$ <u>7,480,000</u>	\$ <u>3,399,237</u>	\$ <u>10,879,237</u>	\$ <u>12,899,338</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 16: Lease Obligations

The District has entered into capital leases for copier equipment and computers. These leases meet the criteria of a capital lease. Governmental activities capital assets consisting of copier equipment and computers have capital lease balances at June 30, 2011 in the amounts of \$1,159,433 and \$385,395, respectively. For the copier equipment, the present value of the future minimum payments at the time of acquisition was \$397,346 less accumulated depreciation, \$6,622. The present value of the future minimum lease payments at the time of acquisition for the computer equipment was \$2,600,966 less accumulated depreciation of \$935,732. Principal payments for all of capital leases in the 2011 fiscal year totaled \$786,470. These amounts are reported as program/function expenditures of the General Fund and State Fiscal Stabilization Fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2011:

	Capital Leases
2012	\$ 831,244
2013	549,996
2014	88,210
2015	88,209
2016	<u>80,862</u>
Total minimum lease payments	1,638,521
Less: amounts representing interest	<u>(93,693)</u>
Present value minimum capital lease payments	\$ <u>1,544,828</u>

Note 17: Jointly Governed Organization

The Ohio Schools' Council Association (the "Council") is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the "Council Board"). The Council Board is the policy making authority of the Council. The Council Board meets monthly September to June. The Council Board appoints the Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Council Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2011, the District paid \$5,215 to the Council. Financial information can be obtained by contacting David A. Cottrell, Executive Director, at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 17: Jointly Governed Organization (continued)

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

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

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

Note 18: Set-Aside Requirements

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

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

	<u>Textbooks</u>	<u>Capital Improvements</u>
Set-aside reserve balance as of June 30, 2010	\$ 1,734,828	\$ -
Current year set-aside requirements	838,606	838,606
Qualifying disbursements	<u>(147,759)</u>	<u>(3,452,772)</u>
Total	\$ <u>2,425,675</u>	\$ <u>(2,614,166)</u>
Set-aside balances carried		
forward to future years	\$ <u>-</u>	\$ <u>-</u>
Set-aside reserve balance as of June 30, 2011	\$ <u>-</u>	\$ <u>-</u>

Although the District had qualifying disbursements during the year that reduced the capital improvements set-aside amount below zero, this amount may not be used to reduce the set-aside requirement for future fiscal years. This negative balance is therefore not presented as being carried forward to future fiscal years. Effective July 1, 2011, the textbook set aside is no longer required and has been removed from existing law.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2011

Note 19: Contractual Commitments

At June 30, 2011, the District's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Wiley parking lot improvements	\$ 156,683	\$ 40,445	\$ 116,238
Taylor second floor improvements	269,650	115,970	153,680
Gearity roof repairs	137,713	7,775	129,938
Taylor upgrade	391,042	6,416	384,626
Noble Pre-School and playground	157,099	18,234	138,865
Heights High School auditorium catwalk	101,950	3,275	98,675
District Smart Boards - phase II	357,825	137,110	220,715
Coventry roof repairs	78,300	5,168	73,132
Coventry lighting	235,000	10,540	224,460
Coventry sprinkler project	295,000	10,540	284,460
Total	\$ <u>2,180,262</u>	\$ <u>355,473</u>	\$ <u>1,824,789</u>

Note 20: Contingencies

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2011.

B. Litigation

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

Note 21: Related Organization

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

Combining Statements and Individual Fund Schedules



LEFT:
CASSANDRA SISSON
Grade 2
Noble Elementary School



RIGHT:
CECILIA ADAMS
Grade 2
Noble Elementary School

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2011

Nonmajor Special Revenue Funds

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

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

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

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

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

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

One Net Communique This fund accounts for restricted State grant monies used for classroom wiring for technology.

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

School Net Professional Development This fund will provide training for teachers to develop lesson labs related to proficiency outcomes. This fund only had budgetary activity during the fiscal year.

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

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

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

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2011

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2011

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

Nonmajor Debt Service Fund

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

Nonmajor Capital Projects Fund

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

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2011

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 1,304,141	\$ 504,011	\$ 816,079	\$ 2,624,231
Intergovernmental receivable	1,237,095	-	-	1,237,095
Taxes receivable	-	760,836	3,300,235	4,061,071
Restricted cash	-	-	<u>3,897,177</u>	<u>3,897,177</u>
Total assets	<u>\$ 2,541,236</u>	<u>\$ 1,264,847</u>	<u>\$ 8,013,491</u>	<u>\$ 11,819,574</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 136,606	\$ -	\$ 234,971	\$ 371,577
Accrued wages and benefits	48,538	-	-	48,538
Interfund payable	1,744,910	-	-	1,744,910
Intergovernmental payable	180,371	-	-	180,371
Deferred revenue	<u>1,164,389</u>	<u>645,144</u>	<u>2,780,891</u>	<u>4,590,424</u>
Total liabilities	<u>3,274,814</u>	<u>645,144</u>	<u>3,015,862</u>	<u>6,935,820</u>
Fund balances:				
Restricted	624,681	619,703	4,997,629	6,242,013
Unassigned	<u>(1,358,259)</u>	<u>-</u>	<u>-</u>	<u>(1,358,259)</u>
Total fund balances (deficit)	<u>(733,578)</u>	<u>619,703</u>	<u>4,997,629</u>	<u>4,883,754</u>
Total liabilities and fund balances	<u>\$ 2,541,236</u>	<u>\$ 1,264,847</u>	<u>\$ 8,013,491</u>	<u>\$ 11,819,574</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ -	\$ 596,011	\$ 2,714,500	\$ 3,310,511
Intergovernmental	12,801,507	90,804	454,019	13,346,330
Earnings on investments	3,450	-	155,963	159,413
Extracurricular activities	59,767	-	-	59,767
Miscellaneous	56,650	-	5,608	62,258
Total revenues	<u>12,921,374</u>	<u>686,815</u>	<u>3,330,090</u>	<u>16,938,279</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,423,792	-	-	1,423,792
Special	3,899,189	-	-	3,899,189
Vocational	230,227	-	-	230,227
Adult/continuing	255,197	-	-	255,197
Support services:				
Pupil	1,000,656	-	-	1,000,656
Instructional staff	2,540,733	-	-	2,540,733
Administration	795,948	-	-	795,948
Fiscal	90,293	-	-	90,293
Operations and maintenance of plant	-	-	3,289,323	3,289,323
Pupil transportation	59,538	-	-	59,538
Central	236,859	-	-	236,859
Operation of non-instructional services:				
Community services	2,344,735	-	-	2,344,735
Extracurricular activities	334,278	-	-	334,278
Debt services:				
Principal	691,152	905,000	-	1,596,152
Interest and fiscal charges	59,230	456,275	-	515,505
Total expenditures	<u>13,961,827</u>	<u>1,361,275</u>	<u>3,289,323</u>	<u>18,612,425</u>
Excess of revenues over (under) expenditures	<u>(1,040,453)</u>	<u>(674,460)</u>	<u>40,767</u>	<u>(1,674,146)</u>

Continued

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Other financing sources (uses):				
Transfers - in	298,351	1,005,000	-	1,303,351
Transfers - out	-	-	(1,005,000)	(1,005,000)
Total other financing sources (uses)	<u>298,351</u>	<u>1,005,000</u>	<u>(1,005,000)</u>	<u>298,351</u>
Net change in fund balance	(742,102)	330,540	(964,233)	(1,375,795)
Fund balance at beginning of year, restated	<u>8,524</u>	<u>289,163</u>	<u>5,961,862</u>	<u>6,259,549</u>
Fund balance (deficit) at end of year	\$ <u>(733,578)</u>	\$ <u>619,703</u>	\$ <u>4,997,629</u>	\$ <u>4,883,754</u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2011

	<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Educational Management Information System</u>	<u>Public School Preschool Grant</u>
Assets:					
Equity in pooled cash and investments	\$ 332,490	\$ 73,411	\$ 130,022	\$ 7,895	\$ 2,736
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ 332,490</u>	<u>\$ 73,411</u>	<u>\$ 130,022</u>	<u>\$ 7,895</u>	<u>\$ 2,736</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 3,563	\$ 1,051	\$ 28,675	\$ -	\$ -
Accrued wages and benefits	335	-	537	663	3,096
Interfund payable	-	-	-	350,000	15,000
Intergovernmental payable	1,358	1,279	-	5,791	4,975
Deferred revenue	-	-	-	-	-
Total liabilities	<u>5,256</u>	<u>2,330</u>	<u>29,212</u>	<u>356,454</u>	<u>23,071</u>
Fund balances:					
Restricted	327,234	71,081	100,810	-	-
Unassigned	-	-	-	(348,559)	(20,335)
Total fund balances (deficit)	<u>327,234</u>	<u>71,081</u>	<u>100,810</u>	<u>(348,559)</u>	<u>(20,335)</u>
Total liabilities and fund balances	<u>\$ 332,490</u>	<u>\$ 73,411</u>	<u>\$ 130,022</u>	<u>\$ 7,895</u>	<u>\$ 2,736</u>

<u>One Net Communique</u>	<u>Stimulus - School Improvement</u>	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Education Jobs</u>	<u>Alternative School Grant</u>
\$ 7,300	\$ 4,507	\$ -	\$ -	\$ 1,771	\$ -	\$ 607
-	124,381	-	-	-	-	-
<u>\$ 7,300</u>	<u>\$ 128,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 607</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,484	-	-	-	-	-
-	120,000	12,158	19,312	-	-	5,000
-	7,338	-	-	-	15,948	1,476
-	124,381	-	-	-	-	-
<u>-</u>	<u>254,203</u>	<u>12,158</u>	<u>19,312</u>	<u>-</u>	<u>15,948</u>	<u>6,476</u>
7,300	-	-	-	1,771	-	-
-	(125,315)	(12,158)	(19,312)	-	(15,948)	(5,869)
<u>7,300</u>	<u>(125,315)</u>	<u>(12,158)</u>	<u>(19,312)</u>	<u>1,771</u>	<u>(15,948)</u>	<u>(5,869)</u>
<u>\$ 7,300</u>	<u>\$ 128,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 607</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2011

	Miscellaneous State <u>Grants</u>	Adult Basic <u>Education</u>	IDEA <u>(Flo-Thru)</u>	Vocational <u>Education</u>	State Fiscal <u>Stabilization</u>
Assets:					
Equity in pooled cash and investments	\$ 105,668	\$ 69,333	\$ 126,892	\$ 8,908	\$ -
Intergovernmental receivable	-	59,767	605,028	31,152	-
Total assets	<u>\$ 105,668</u>	<u>\$ 129,100</u>	<u>\$ 731,920</u>	<u>\$ 40,060</u>	<u>\$ -</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 28,958	\$ -	\$ -
Accrued wages and benefits	-	2,240	14,769	3,760	-
Interfund payable	-	120,000	500,000	40,000	-
Intergovernmental payable	-	8,465	68,181	7,405	-
Deferred revenue	-	42,107	605,028	31,152	-
Total liabilities	<u>-</u>	<u>172,812</u>	<u>1,216,936</u>	<u>82,317</u>	<u>-</u>
Fund balances:					
Restricted	105,668	-	-	-	-
Unassigned	-	(43,712)	(485,016)	(42,257)	-
Total fund balances (deficit)	<u>105,668</u>	<u>(43,712)</u>	<u>(485,016)</u>	<u>(42,257)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 105,668</u>	<u>\$ 129,100</u>	<u>\$ 731,920</u>	<u>\$ 40,060</u>	<u>\$ -</u>

<u>Race to the Top</u>	<u>Title II-D Technology Grants</u>	<u>Title 1 Improvement</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
\$ 10,172	\$ 11,127	\$ 43,314	\$ 2,723	\$ 301,014	\$ 611
<u>16,502</u>	<u>-</u>	<u>1,109</u>	<u>1,616</u>	<u>315,027</u>	<u>-</u>
\$ <u>26,674</u>	\$ <u>11,127</u>	\$ <u>44,423</u>	\$ <u>4,339</u>	\$ <u>616,041</u>	\$ <u>611</u>
\$ -	\$ -	\$ -	\$ -	\$ 70,630	\$ -
-	-	-	232	17,252	-
15,000	5,000	50,000	8,314	370,000	3,309
1,608	984	23	1,432	40,988	-
<u>16,502</u>	<u>-</u>	<u>1,109</u>	<u>1,616</u>	<u>315,027</u>	<u>-</u>
<u>33,110</u>	<u>5,984</u>	<u>51,132</u>	<u>11,594</u>	<u>813,897</u>	<u>3,309</u>
-	5,143	-	-	-	-
<u>(6,436)</u>	<u>-</u>	<u>(6,709)</u>	<u>(7,255)</u>	<u>(197,856)</u>	<u>(2,698)</u>
<u>(6,436)</u>	<u>5,143</u>	<u>(6,709)</u>	<u>(7,255)</u>	<u>(197,856)</u>	<u>(2,698)</u>
\$ <u>26,674</u>	\$ <u>11,127</u>	\$ <u>44,423</u>	\$ <u>4,339</u>	\$ <u>616,041</u>	\$ <u>611</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2011

	<u>Drug Free Schools</u>	<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
Assets:					
Equity in pooled cash and investments	\$ 6,290	\$ 2,074	\$ 9,633	\$ 45,643	\$ 1,304,141
Intergovernmental receivable	<u>3,368</u>	<u>5,545</u>	<u>14,112</u>	<u>59,488</u>	<u>1,237,095</u>
Total assets	<u>\$ 9,658</u>	<u>\$ 7,619</u>	<u>\$ 23,745</u>	<u>\$ 105,131</u>	<u>\$ 2,541,236</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 3,069	\$ -	\$ 660	\$ -	\$ 136,606
Accrued wages and benefits	-	-	2,969	201	48,538
Interfund payable	7,000	3,000	16,932	84,885	1,744,910
Intergovernmental payable	-	905	2,286	9,929	180,371
Deferred revenue	<u>3,368</u>	<u>5,545</u>	<u>14,112</u>	<u>4,442</u>	<u>1,164,389</u>
Total liabilities	<u>13,437</u>	<u>9,450</u>	<u>36,959</u>	<u>99,457</u>	<u>3,274,814</u>
Fund balances:					
Restricted	-	-	-	5,674	624,681
Unassigned	<u>(3,779)</u>	<u>(1,831)</u>	<u>(13,214)</u>	<u>-</u>	<u>(1,358,259)</u>
Total fund balances (deficit)	<u>(3,779)</u>	<u>(1,831)</u>	<u>(13,214)</u>	<u>5,674</u>	<u>(733,578)</u>
Total liabilities and fund balances	<u>\$ 9,658</u>	<u>\$ 7,619</u>	<u>\$ 23,745</u>	<u>\$ 105,131</u>	<u>\$ 2,541,236</u>

Cleveland **Heights**
University
City School District



Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	Other Grants	District Managed Activity	Auxiliary Services	Educational Management Information System	Public School Preschool Grant
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 1,562,377	\$ 5,000	\$ 82,675
Earnings on investments	-	-	3,450	-	-
Extracurricular activities	-	59,767	-	-	-
Miscellaneous	<u>39,221</u>	<u>11,330</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>39,221</u>	<u>71,097</u>	<u>1,565,827</u>	<u>5,000</u>	<u>82,675</u>
Expenditures:					
Current:					
Instruction:					
Regular	40,856	670	-	-	79,764
Special	293	-	-	-	-
Vocational	5,230	-	-	-	-
Adult/continuing	-	-	-	-	-
Support services:					
Pupil	1,775	-	-	-	-
Instructional staff	140,364	-	-	-	-
Administration	2,976	-	-	-	14,029
Fiscal	-	-	-	-	-
Pupil transportation	822	-	-	-	-
Central	-	-	-	160,485	-
Operation of non-instructional services					
Community services	11,707	-	1,935,456	-	-
Extracurricular activities	5,500	328,778	-	-	-
Debt services:					
Principal	-	-	-	-	-
Interest and fiscal services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>209,523</u>	<u>329,448</u>	<u>1,935,456</u>	<u>160,485</u>	<u>93,793</u>
Excess of revenues over (under) expenditures	(170,302)	(258,351)	(369,629)	(155,485)	(11,118)
Other financing sources (uses):					
Transfers - in	<u>-</u>	<u>298,351</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(170,302)	40,000	(369,629)	(155,485)	(11,118)
Fund balance (deficit) at beginning of year	<u>497,536</u>	<u>31,081</u>	<u>470,439</u>	<u>(193,074)</u>	<u>(9,217)</u>
Fund balance (deficit) at end of year	\$ <u>327,234</u>	\$ <u>71,081</u>	\$ <u>100,810</u>	\$ <u>(348,559)</u>	\$ <u>(20,335)</u>

<u>One Net Communique</u>	<u>Stimulus - School Improvement</u>	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Education Jobs</u>	<u>Alternative School Grant</u>
\$ 27,300	\$ 578,616	\$ -	\$ -	\$ 1,167	\$ 954,787	\$ 93,459
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>27,300</u>	<u>578,616</u>	<u>-</u>	<u>-</u>	<u>1,167</u>	<u>954,787</u>	<u>93,459</u>

-	-	-	-	-	970,735	-
-	390,898	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20,000	185,647	-	-	-	-	98,700
-	127,386	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>20,000</u>	<u>703,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>970,735</u>	<u>98,700</u>

7,300	(125,315)	-	-	1,167	(15,948)	(5,241)
-	-	-	-	-	-	-
7,300	(125,315)	-	-	1,167	(15,948)	(5,241)
-	-	(12,158)	(19,312)	604	-	(628)
<u>\$ 7,300</u>	<u>\$ (125,315)</u>	<u>\$ (12,158)</u>	<u>\$ (19,312)</u>	<u>\$ 1,771</u>	<u>\$ (15,948)</u>	<u>\$ (5,869)</u>

Continued

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	Miscellaneous State <u>Grants</u>	Adult Basic <u>Education</u>	IDEA (Flo-Thru)	Vocational <u>Education</u>	State Fiscal <u>Stabilization</u>
Revenues:					
Intergovernmental	\$ 88,655	\$ 369,488	\$ 2,789,474	\$ 291,981	\$ 1,413,487
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>88,655</u>	<u>369,488</u>	<u>2,789,474</u>	<u>291,981</u>	<u>1,413,487</u>
Expenditures:					
Current:					
Instruction:					
Regular	4,959	-	35,602	-	-
Special	-	-	794,015	-	-
Vocational	-	-	-	224,997	-
Adult/continuing	-	255,197	-	-	-
Support services:					
Pupil	6,087	-	363,163	79,243	-
Instructional staff	-	111,893	834,242	-	663,105
Administration	-	10,752	640,635	-	-
Fiscal	-	4,283	39,432	-	-
Pupil transportation	5,279	-	20,000	476	-
Central	-	-	-	-	-
Operation of non-instructional services					
Community services	-	-	117,782	-	-
Extracurricular activities	-	-	-	-	-
Debt services:					
Principal	-	-	-	-	691,152
Interest and fiscal charges	-	-	-	-	59,230
Total expenditures	<u>16,325</u>	<u>382,125</u>	<u>2,844,871</u>	<u>304,716</u>	<u>1,413,487</u>
Excess of revenues over (under) expenditures	72,330	(12,637)	(55,397)	(12,735)	-
Other financing sources (uses):					
Transfers - in	-	-	-	-	-
Net change in fund balance	72,330	(12,637)	(55,397)	(12,735)	-
Fund balance (deficit) at beginning of year	<u>33,338</u>	<u>(31,075)</u>	<u>(429,619)</u>	<u>(29,522)</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u>105,668</u>	\$ <u>(43,712)</u>	\$ <u>(485,016)</u>	\$ <u>(42,257)</u>	\$ <u>-</u>

<u>Race to the Top</u>	<u>Title II-D Technology Grants</u>	<u>Title 1 Improvement</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
\$ 78,112	\$ 192,254	\$ 14,651	\$ 20,300	\$ 3,439,063	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,099	-
<u>78,112</u>	<u>192,254</u>	<u>14,651</u>	<u>20,300</u>	<u>3,445,162</u>	<u>-</u>
-	137,868	5,450	-	-	-
-	-	-	-	2,712,956	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	19,850	1,406	-
8,174	14,029	13,851	-	328,384	-
-	-	-	-	127,556	-
-	248	225	23	40,003	-
-	-	-	-	11,835	-
76,374	-	-	-	-	-
-	423	-	-	267,880	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>84,548</u>	<u>152,568</u>	<u>19,526</u>	<u>19,873</u>	<u>3,490,020</u>	<u>-</u>
(6,436)	39,686	(4,875)	427	(44,858)	-
-	-	-	-	-	-
(6,436)	39,686	(4,875)	427	(44,858)	-
-	<u>(34,543)</u>	<u>(1,834)</u>	<u>(7,682)</u>	<u>(152,998)</u>	<u>(2,698)</u>
\$ <u>(6,436)</u>	\$ <u>5,143</u>	\$ <u>(6,709)</u>	\$ <u>(7,255)</u>	\$ <u>(197,856)</u>	\$ <u>(2,698)</u>

Continued

Cleveland Heights-University Heights City School District

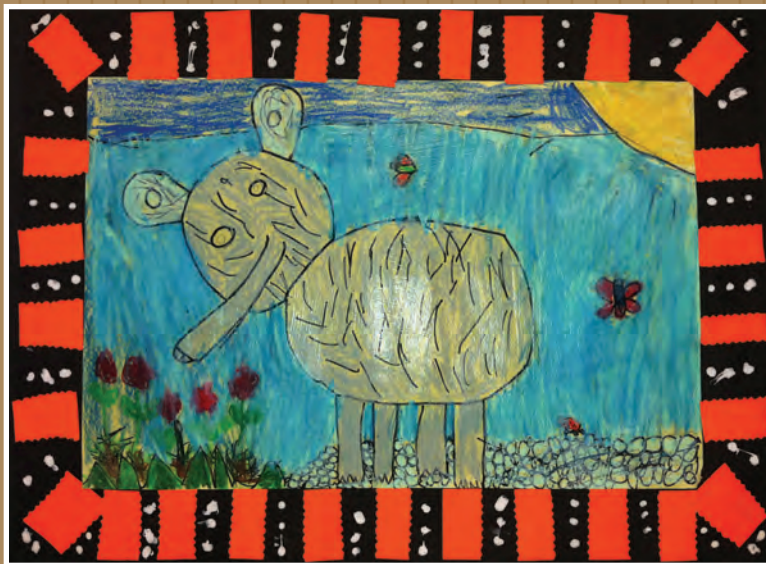
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended June 30, 2011

	Drug Free Schools	Preschool Disabilities Grant	Title IIA- Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue
Revenues:					
Intergovernmental	\$ 11,028	\$ 57,890	\$ 243,219	\$ 486,524	\$ 12,801,507
Earnings on investments	-	-	-	-	3,450
Extracurricular activities	-	-	-	-	59,767
Miscellaneous	-	-	-	-	56,650
Total revenues	<u>11,028</u>	<u>57,890</u>	<u>243,219</u>	<u>486,524</u>	<u>12,921,374</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	147,888	1,423,792
Special	-	-	-	1,027	3,899,189
Vocational	-	-	-	-	230,227
Adult/continuing	-	-	-	-	255,197
Support services:					
Pupil	-	52,914	-	171,871	1,000,656
Instructional staff	8,523	-	237,744	53,038	2,540,733
Administration	-	-	-	-	795,948
Fiscal	134	341	3,846	1,758	90,293
Pupil transportation	-	-	-	21,126	59,538
Central	-	-	-	-	236,859
Operation of non-instructional services:					
Community services	2,474	-	9,013	-	2,344,735
Extracurricular activities	-	-	-	-	334,278
Debt services:					
Principal	-	-	-	-	691,152
Interest and fiscal charges	-	-	-	-	59,230
Total expenditures	<u>11,131</u>	<u>53,255</u>	<u>250,603</u>	<u>396,708</u>	<u>13,961,827</u>
Excess of revenues over (under) expenditures	(103)	4,635	(7,384)	89,816	(1,040,453)
Other financing sources (uses):					
Transfers - in	-	-	-	-	298,351
Net change in fund balance	(103)	4,635	(7,384)	89,816	(742,102)
Fund balance (deficit) at beginning of year	<u>(3,676)</u>	<u>(6,466)</u>	<u>(5,830)</u>	<u>(84,142)</u>	<u>8,524</u>
Fund balance (deficit) at end of year	\$ <u>(3,779)</u>	\$ <u>(1,831)</u>	\$ <u>(13,214)</u>	\$ <u>5,674</u>	\$ <u>(733,578)</u>

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

RIGHT:
SUMMER CHAPMAN
Grade 1
Fairfax Elementary School



LEFT:
CHARLIE LAURETIG
Grade 1
Noble Elementary School



Cleveland Heights-University Heights City School District

General Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 62,200,000	\$ 62,262,000	\$ 62,845,617	\$ 583,617
Intergovernmental	30,125,000	49,283,960	31,862,142	(17,421,818)
Tuition and fees	1,125,000	1,125,000	923,969	(201,031)
Earnings on investments	400,000	176,000	180,655	4,655
Miscellaneous	<u>510,000</u>	<u>639,400</u>	<u>608,197</u>	<u>(31,203)</u>
Total revenues	<u>94,360,000</u>	<u>113,486,360</u>	<u>96,420,580</u>	<u>(17,065,780)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	26,783,319	28,658,253	28,658,253	-
Employee benefits	9,530,610	9,426,894	9,426,894	-
Purchased services	296,572	418,603	233,127	185,476
Supplies and materials	424,104	441,551	441,551	-
Capital outlay	48,445	28,140	28,140	-
Other	<u>55,342</u>	<u>40,609</u>	<u>40,609</u>	<u>-</u>
Total regular	<u>37,138,392</u>	<u>39,014,050</u>	<u>38,828,574</u>	<u>185,476</u>
Special:				
Salaries and wages	7,394,687	7,252,760	7,252,760	-
Employee benefits	3,073,958	2,590,404	2,590,404	-
Purchased services	134,229	131,717	131,717	-
Supplies and materials	80,281	55,922	55,922	-
Capital outlay	2,800	2,800	-	2,800
Other	<u>10,255</u>	<u>10,255</u>	<u>6,547</u>	<u>3,708</u>
Total special	<u>10,696,210</u>	<u>10,043,858</u>	<u>10,037,350</u>	<u>6,508</u>
Vocational:				
Salaries and wages	1,301,780	1,350,000	1,341,879	8,121
Employee benefits	527,721	534,911	440,107	94,804
Purchased services	4,700	21,918	21,765	153
Supplies and materials	33,389	47,404	46,688	716
Capital outlay	<u>63,770</u>	<u>54,299</u>	<u>54,206</u>	<u>93</u>
Total vocational	<u>1,931,360</u>	<u>2,008,532</u>	<u>1,904,645</u>	<u>103,887</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult/continuing:				
Salaries and wages	-	86,000	80,967	5,033
Employee benefits	-	16,200	14,888	1,312
Total adult/continuing	-	102,200	95,855	6,345
Other instruction:				
Salaries and wages	483,167	483,167	308,151	175,016
Employee benefits	194,139	194,139	166,955	27,184
Purchased services	4,863,451	5,567,451	5,372,737	194,714
Supplies and materials	18,800	18,800	8,955	9,845
Other	18,200	60,200	41,824	18,376
Total other instruction	5,577,757	6,323,757	5,898,622	425,135
Total instruction	55,343,719	57,492,397	56,765,046	727,351
Support services:				
Pupil:				
Salaries and wages	5,923,776	5,950,540	5,828,647	121,893
Employee benefits	2,311,353	2,012,186	2,012,186	-
Purchased services	272,597	263,160	233,429	29,731
Supplies and materials	58,181	53,798	24,431	29,367
Capital outlay	2,300	3,500	2,242	1,258
Other	4,090	4,090	1,509	2,581
Total pupil	8,572,297	8,287,274	8,102,444	184,830
Instructional staff:				
Salaries and wages	2,317,528	2,289,241	2,289,241	-
Employee benefits	1,004,027	1,088,929	1,088,929	-
Purchased services	513,552	561,763	200,660	361,103
Supplies and materials	717,744	561,748	154,039	407,709
Capital outlay	2,249,610	2,259,053	15,291	2,243,762
Other	12,238	21,636	16,825	4,811
Total instructional staff	6,814,699	6,782,370	3,764,985	3,017,385
Board of education:				
Salaries and wages	35,000	35,000	15,625	19,375
Employee benefits	97,000	136,516	136,010	506
Purchased services	425,408	427,063	416,192	10,871
Supplies and materials	2,350	2,350	968	1,382
Other	20,000	20,100	14,900	5,200
Total board of education	579,758	621,029	583,695	37,334

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Salaries and wages	3,492,242	3,544,859	3,543,932	927
Employee benefits	1,703,325	1,614,016	1,591,102	22,914
Purchased services	215,413	193,779	137,206	56,573
Supplies and materials	207,288	218,566	172,507	46,059
Capital outlay	36,135	29,163	10,317	18,846
Other	50,333	48,518	33,026	15,492
Total administration	<u>5,704,736</u>	<u>5,648,901</u>	<u>5,488,090</u>	<u>160,811</u>
Fiscal:				
Salaries and wages	606,877	620,865	618,765	2,100
Employee benefits	317,055	325,902	310,683	15,219
Purchased services	131,685	171,014	164,457	6,557
Supplies and materials	17,220	18,814	16,650	2,164
Capital outlay	9,100	9,100	7,054	2,046
Other	1,108,425	1,235,106	1,235,106	-
Total fiscal	<u>2,190,362</u>	<u>2,380,801</u>	<u>2,352,715</u>	<u>28,086</u>
Business:				
Salaries and wages	204,624	232,936	232,936	-
Employee benefits	101,244	134,095	108,610	25,485
Purchased services	813,396	774,063	704,024	70,039
Supplies and materials	179,926	181,597	179,870	1,727
Capital outlay	31,500	217,771	217,771	-
Other	299,700	324,200	322,554	1,646
Total business	<u>1,630,390</u>	<u>1,864,662</u>	<u>1,765,765</u>	<u>98,897</u>
Operations and maintenance of plant:				
Salaries and wages	3,987,063	4,038,988	4,036,988	2,000
Employee benefits	2,771,428	2,152,977	2,137,947	15,030
Purchased services	4,768,299	4,918,967	3,749,677	1,169,290
Supplies and materials	761,775	970,615	797,520	173,095
Capital outlay	281,871	576,064	392,324	183,740
Other	41,924	52,060	51,950	110
Total operations and maintenance of plant	<u>12,612,360</u>	<u>12,709,671</u>	<u>11,166,406</u>	<u>1,543,265</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Salaries and wages	1,964,318	1,964,318	1,950,770	13,548
Employee benefits	1,171,897	1,171,897	819,073	352,824
Purchased services	1,212,641	1,492,461	1,457,492	34,969
Supplies and materials	590,305	489,855	402,945	86,910
Capital outlay	10,000	7,175	7,175	-
Other	504,860	97,475	68,792	28,683
Total pupil transportation	<u>5,454,021</u>	<u>5,223,181</u>	<u>4,706,247</u>	<u>516,934</u>
Central:				
Salaries and wages	1,095,041	1,225,089	1,225,089	-
Employee benefits	532,942	577,970	559,976	17,994
Purchased services	1,641,974	1,584,222	1,240,855	343,367
Supplies and materials	264,474	259,474	239,481	19,993
Capital outlay	338,342	312,008	279,358	32,650
Other	13,864	35,072	29,415	5,657
Total central	<u>3,886,637</u>	<u>3,993,835</u>	<u>3,574,174</u>	<u>419,661</u>
Total support services	<u>47,445,260</u>	<u>47,511,724</u>	<u>41,504,521</u>	<u>6,007,203</u>
Operation of non-instructional services:				
Community services:				
Purchased services	<u>20,451</u>	<u>20,451</u>	<u>11,451</u>	<u>9,000</u>
Other non-instructional services:				
Salaries and wages	149,474	149,474	77,482	71,992
Employee benefits	57,841	57,841	40,659	17,182
Purchased services	3,000	3,205	2,784	421
Supplies and materials	1,845	1,445	1,431	14
Other	250	445	445	-
Total other non-instructional services	<u>212,410</u>	<u>212,410</u>	<u>122,801</u>	<u>89,609</u>
Total operation of non-instructional services	<u>232,861</u>	<u>232,861</u>	<u>134,252</u>	<u>98,609</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Food service operations:				
Salaries and wages	-	6,000	4,860	1,140
Employee benefits	-	1,600	862	738
Total food service operations	-	7,600	5,722	1,878
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	744,750	694,750	296,761	397,989
Employee benefits	6,713	56,713	54,630	2,083
Total academic and subject oriented	751,463	751,463	351,391	400,072
Occupation oriented:				
Salaries and wages	1,282	4,240	3,240	1,000
Employee benefits	215	574	574	-
Total occupation oriented	1,497	4,814	3,814	1,000
Sports oriented:				
Salaries and wages	292,103	646,175	646,175	-
Employee benefits	100,740	159,086	159,086	-
Total sports oriented	392,843	805,261	805,261	-
Co-curricular activities:				
Salaries and wages	-	65,244	65,244	-
Employee benefits	-	11,506	11,506	-
Total co-curricular activities	-	76,750	76,750	-
Total extracurricular activities	1,145,803	1,638,288	1,237,216	401,072
Total expenditures	104,167,643	106,882,870	99,646,757	7,236,113
Excess of revenues over (under) expenditures	(9,807,643)	6,603,490	(3,226,177)	(9,829,667)
Other financing sources (uses):				
Transfers - out	(250,000)	(19,403,646)	(467,669)	18,935,977
Advances - in	2,180,000	2,180,000	2,179,400	(600)
Advances - out	(750,000)	(5,894,000)	(5,144,000)	750,000
Total other financing sources (uses)	1,180,000	(23,117,646)	(3,432,269)	19,685,377
Net change in fund balance	(8,627,643)	(16,514,156)	(6,658,446)	9,855,710
Fund balance at beginning of year	38,050,333	38,050,333	38,050,333	-
Prior year encumbrances appropriated	2,595,974	2,595,974	2,595,974	-
Fund balance at end of year	\$ 32,018,664	\$ 24,132,151	\$ 33,987,861	\$ 9,855,710

Cleveland Heights-University Heights City School District

Special Trust Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$	\$ 746	\$ 745	\$ (1)
Miscellaneous	-	123,122	100,752	(22,370)
Total revenues	-	123,868	101,497	(22,371)
Expenditures:				
Current:				
Central:				
Purchased services	-	129,453	99,654	29,799
Net change in fund balance	-	(5,585)	1,843	7,428
Fund balance at beginning of year	377,107	377,107	377,107	-
Fund balance at end of year	\$ 377,107	\$ 371,522	\$ 378,950	\$ 7,428

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

Cleveland Heights-University Heights City School District

Public School Support Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ -	\$ 227,657	\$ 133,953	\$ (93,704)
Classroom materials and fees	-	7,769	7,769	-
Miscellaneous	-	103,823	110,523	6,700
Total revenues	-	339,249	252,245	(87,004)
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	1,935	84,401	60,835	23,566
Supplies and materials	2,868	136,307	57,158	79,149
Capital outlay	1,800	4,287	4,259	28
Other	105	43,743	29,799	13,944
Total instruction	6,708	268,738	152,051	116,687
Business:				
Supplies and materials	580	580	-	580
Total support services	580	580	-	580
Total expenditures	7,288	269,318	152,051	117,267
Net change in fund balance	(7,288)	69,931	100,194	30,263
Fund balance at beginning of year	63,157	63,157	63,157	-
Prior year encumbrances appropriated	5,989	5,989	5,989	-
Fund balance at end of year	\$ 61,858	\$ 139,077	\$ 169,340	\$ 30,263

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

Cleveland Heights-University Heights City School District

Venture Capital - Boulevard Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 13,332	\$ -	\$ (13,332)
Expenditures:				
Current:				
Regular:				
Other	-	13,390	58	13,332
Net change in fund balance	-	(58)	(58)	-
Fund balance at beginning of year	58	58	58	-
Fund balance at end of year	\$ 58	\$ -	\$ -	\$ -

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

Cleveland Heights-University Heights City School District

Other Grants Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 449,491	\$ 445,283	\$ 73,836	\$ (371,447)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	34,511	46,612	44,618	1,994
Employee benefits	8,615	9,356	7,899	1,457
Purchased services	19,135	11,705	5,391	6,314
Supplies and materials	20,928	28,253	9,610	18,643
Capital outlay	2,808	28,336	-	28,336
Other	1,882	1,759	900	859
Total regular	87,879	126,021	68,418	57,603
Special:				
Salaries and wages	960	1,170	-	1,170
Purchased services	48	-	-	-
Supplies and materials	895	720	403	317
Total special	1,903	1,890	403	1,487
Vocational:				
Salaries and wages	-	1,500	1,500	-
Employee benefits	-	270	265	5
Purchased services	2,500	-	-	-
Supplies and materials	1,485	8,106	3,432	4,674
Total vocational	3,985	9,876	5,197	4,679
Adult/continuing:				
Salaries and wages	19,500	19,500	-	19,500
Employee benefits	5,654	5,654	-	5,654
Purchased services	6,535	14,110	-	14,110
Supplies and materials	1,809	1,809	-	1,809
Capital outlay	6	6	-	6
Total adult/continuing	33,504	41,079	-	41,079
Total instruction	127,271	178,866	74,018	104,848

Continued

Cleveland Heights-University Heights City School District

Other Grants Fund (continued)

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services:				
Pupil:				
Purchased services	1,178	2,028	710	1,318
Supplies and materials	1,376	2,026	1,015	1,011
Other	50	100	50	50
Total pupil	<u>2,604</u>	<u>4,154</u>	<u>1,775</u>	<u>2,379</u>
Instructional staff:				
Salaries and wages	1,116	13,211	12,004	1,207
Employee benefits	226	3,472	3,468	4
Purchased services	294,461	352,281	186,240	166,041
Supplies and materials	128,856	77,021	2,759	74,262
Total instructional staff	<u>424,659</u>	<u>445,985</u>	<u>204,471</u>	<u>241,514</u>
Administration:				
Purchased services	25,553	30,839	1,094	29,745
Supplies and materials	1,770	3,600	1,882	1,718
Total administration	<u>27,323</u>	<u>34,439</u>	<u>2,976</u>	<u>31,463</u>
Business:				
Purchased services	28,500	17,500	-	17,500
Supplies and materials	1,500	1,500	-	1,500
Total business	<u>30,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
Pupil transportation:				
Purchased services	12,232	6,356	4,313	2,043
Total support services	<u>496,818</u>	<u>509,934</u>	<u>213,535</u>	<u>296,399</u>
Operation of non-instructional services:				
Community services:				
Supplies and materials	50	-	-	-
Other	32,634	63,000	62,352	648
Total operation of non-instructional services	<u>32,684</u>	<u>63,000</u>	<u>62,352</u>	<u>648</u>
Extracurricular activities:				
Other	-	7,131	5,500	1,631
Total expenditures	<u>656,773</u>	<u>758,931</u>	<u>355,405</u>	<u>403,526</u>

Continued

Cleveland Heights-University Heights City School District

Other Grants Fund (continued)

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	<u>(207,282)</u>	<u>(313,648)</u>	<u>(281,569)</u>	<u>32,079</u>
Other financing sources (uses):				
Transfers - in	6,105	214,661	-	(214,661)
Transfers - out	(563)	(221,222)	-	221,222
Advances - in	<u>385,000</u>	<u>385,000</u>	<u>-</u>	<u>(385,000)</u>
Total other financing sources (uses)	<u>390,542</u>	<u>378,439</u>	<u>-</u>	<u>(378,439)</u>
Net change in fund balance	183,260	64,791	(281,569)	(346,360)
Fund balance at beginning of year	432,099	432,099	432,099	-
Prior year encumbrances appropriated	<u>140,905</u>	<u>140,905</u>	<u>140,905</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>756,264</u></u>	\$ <u><u>637,795</u></u>	\$ <u><u>291,435</u></u>	\$ <u><u>(346,360)</u></u>

Cleveland Heights-University Heights City School District

District Managed Activity Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 29,000	\$ 85,657	\$ 59,767	\$ (25,890)
Miscellaneous	5,000	46,190	11,330	(34,860)
Total revenues	<u>34,000</u>	<u>131,847</u>	<u>71,097</u>	<u>(60,750)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	<u>1,200</u>	<u>221,200</u>	<u>670</u>	<u>220,530</u>
Extracurricular activities:				
Salaries and wages	-	18,000	17,074	926
Employee benefits	-	5,000	2,892	2,108
Purchased services	202,743	230,914	162,481	68,433
Supplies and materials	123,804	182,382	137,040	45,342
Capital outlay	5,500	17,975	12,475	5,500
Other	-	8,550	3,508	5,042
Total extracurricular activities	<u>332,047</u>	<u>462,821</u>	<u>335,470</u>	<u>127,351</u>
Total expenditures	<u>333,247</u>	<u>684,021</u>	<u>336,140</u>	<u>347,881</u>
Excess of revenues over (under) expenditures	(299,247)	(552,174)	(265,043)	287,131
Other financing sources (uses):				
Transfers - in	<u>300,000</u>	<u>520,000</u>	<u>298,351</u>	<u>(221,649)</u>
Net change in fund balance	753	(32,174)	33,308	65,482
Fund balance at beginning of year	15,028	15,028	15,028	-
Prior year encumbrances appropriated	<u>24,297</u>	<u>24,297</u>	<u>24,297</u>	-
Fund balance at end of year	\$ <u>40,078</u>	\$ <u>7,151</u>	\$ <u>72,633</u>	\$ <u>65,482</u>

Cleveland Heights-University Heights City School District

Auxiliary Services Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 1,728,832	\$ 1,728,832	\$ -
Earnings on investments	-	3,450	3,450	-
Total revenues	<u>-</u>	<u>1,732,282</u>	<u>1,732,282</u>	<u>-</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	-	151,783	151,783	-
Employee benefits	356	46,536	46,536	-
Purchased services	31,673	1,059,354	1,056,362	2,992
Supplies and materials	269,489	661,268	659,955	1,313
Capital outlay	<u>3,756</u>	<u>198,314</u>	<u>198,081</u>	<u>233</u>
Total expenditures	<u>305,274</u>	<u>2,117,255</u>	<u>2,112,717</u>	<u>4,538</u>
Net change in fund balance	(305,274)	(384,973)	(380,435)	4,538
Fund balance at beginning of year	314,978	314,978	314,978	-
Prior year encumbrances appropriated	<u>70,045</u>	<u>70,045</u>	<u>70,045</u>	<u>-</u>
Fund balance at end of year	\$ <u>79,749</u>	\$ <u>50</u>	\$ <u>4,588</u>	\$ <u>4,538</u>

Cleveland Heights-University Heights City School District

Educational Management Information System Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,750	\$ 8,750	\$ 5,000	\$ (3,750)
Expenditures:				
Current:				
Support services:				
Central:				
Salaries and wages	-	116,157	116,156	1
Employee benefits	-	37,921	37,921	-
Purchased services	3,200	3,200	2,381	819
Other	5,550	5,550	4,150	1,400
Total expenditures	8,750	162,828	160,608	2,220
Excess of revenues over (under) expenditures	-	(154,078)	(155,608)	(1,530)
Other financing sources (uses):				
Advances - in	-	350,000	350,000	-
Advances - out	-	(190,000)	(190,000)	-
Total other financing sources (uses)	-	160,000	160,000	-
Net change in fund balance	-	5,922	4,392	(1,530)
Fund balance at beginning of year	3,356	3,356	3,356	-
Fund balance at end of year	\$ 3,356	\$ 9,278	\$ 7,748	\$ (1,530)

Cleveland Heights-University Heights City School District

Public School Preschool Grant Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,800	\$ 96,800	\$ 82,675	\$ (14,125)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	64,811	64,811	-
Employee benefits	-	16,321	16,321	-
Total instruction	-	81,132	81,132	-
Administration:				
Salaries and wages	8	11,174	10,207	967
Employee benefits	-	3,603	3,600	3
Total support services	8	14,777	13,807	970
Total expenditures	8	95,909	94,939	970
Excess of revenues over (under) expenditures	8,792	891	(12,264)	(13,155)
Other financing sources (uses):				
Advances - in	-	15,000	15,000	-
Net change in fund balance	8,792	15,891	2,736	(13,155)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 8,792	\$ 15,891	\$ 2,736	\$ (13,155)

Cleveland Heights-University Heights City School District

One Net Communique Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 27,300	\$ 3,300
Expenditures:				
Pupil:				
Purchased services	<u>24,000</u>	<u>24,000</u>	<u>20,000</u>	<u>4,000</u>
Net change in fund balance	-	-	7,300	7,300
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>7,300</u></u>	\$ <u><u>7,300</u></u>

Cleveland Heights-University Heights City School District

Stimulus - School Improvement Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 712,097	\$ 578,616	\$ (133,481)
Expenditures:				
Current:				
Instruction:				
Special Education:				
Salaries and wages	-	206,085	201,779	4,306
Employee benefits	-	43,657	43,657	-
Purchased services	-	14,040	14,040	-
Supplies and materials	-	47,155	47,155	-
Capital outlay	-	79,333	79,333	-
Total instruction	-	390,270	385,964	4,306
Support services:				
Pupil:				
Salaries and wages	-	144,025	143,864	161
Employee benefits	-	38,863	38,821	42
Total pupil	-	182,888	182,685	203
Instructional staff:				
Salaries and wages	-	94,087	91,425	2,662
Employee benefits	-	35,285	34,055	1,230
Other	-	9,567	-	9,567
Total instructional staff	-	138,939	125,480	13,459
Total support services	-	321,827	308,165	13,662
Total expenditures	-	712,097	694,129	17,968
Excess of revenues over (under) expenditures	-	-	(115,513)	(115,513)
Other financing sources (uses):				
Advances - in	-	120,000	120,000	-
Net change in fund balance	-	120,000	4,487	(115,513)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ 120,000	\$ 4,487	\$ (115,513)

Cleveland Heights-University Heights City School District

School Net Professional Development Fund

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

For the Fiscal Year Ended June 30, 2011

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

Cleveland Heights-University Heights City School District

Career Technical/Adult Education Fund

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

For the Fiscal Year Ended June 30, 2011

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

Cleveland Heights-University Heights City School District

Education Jobs Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 954,787	\$ 954,787	\$ -
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	696,686	696,686	-
Employee benefits	-	258,101	258,101	-
Total expenditures	-	954,787	954,787	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

Alternative School Grant Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 11,532	\$ 106,528	\$ 93,459	\$ (13,069)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	18,411	86,585	69,301	17,284
Employee benefits	6,395	32,217	27,923	4,294
Total expenditures	24,806	118,802	97,224	21,578
Excess of revenues over (under) expenditures	(13,274)	(12,274)	(3,765)	8,509
Other financing sources (uses):				
Advances - in	25,000	30,000	5,000	(25,000)
Advances - out	-	(1,000)	(1,000)	-
Total other financing sources (uses)	25,000	29,000	4,000	(25,000)
Net change in fund balance	11,726	16,726	235	(16,491)
Fund balance at beginning of year	372	372	372	-
Fund balance at end of year	\$ 12,098	\$ 17,098	\$ 607	\$ (16,491)

Cleveland Heights-University Heights City School District

Miscellaneous State Grants Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 54,103	\$ 54,103	\$ 88,655	\$ 34,552
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	5,000	5,000	4,959	41
Special:				
Purchased services	11,846	11,846	-	11,846
Supplies and materials	3,471	3,471	-	3,471
Total special	15,317	15,317	-	15,317
Total instruction	20,317	20,317	4,959	15,358
Support services:				
Pupil:				
Salaries and wages	1,651	1,651	-	1,651
Employee benefits	322	322	-	322
Purchased services	6,595	6,595	654	5,941
Supplies and materials	6,674	12,374	4,083	8,291
Capital outlay	2,514	6,074	1,499	4,575
Total pupil	17,756	27,016	6,236	20,780
Instructional staff:				
Salaries and wages	13,972	13,972	-	13,972
Employee benefits	2,999	2,999	-	2,999
Purchased services	792	792	-	792
Supplies and materials	6	6	-	6
Total instructional staff	17,769	17,769	-	17,769
Pupil transportation:				
Purchased services	2,813	13,163	5,279	7,884
Total support services	38,338	57,948	11,515	46,433
Total expenditures	58,655	78,265	16,474	61,791
Net change in fund balance	(4,552)	(24,162)	72,181	96,343
Fund balance at beginning of year	24,346	24,346	24,346	-
Prior year encumbrances appropriated	9,137	9,137	9,137	-
Fund balance at end of year	\$ 28,931	\$ 9,321	\$ 105,664	\$ 96,343

Cleveland Heights-University Heights City School District

Adult Basic Education Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 71,025	\$ 564,374	\$ 351,828	\$ (212,546)
Expenditures:				
Current:				
Instruction:				
Adult/continuing:				
Salaries and wages	6,407	195,292	179,221	16,071
Employee benefits	1,463	41,099	31,765	9,334
Purchased services	1,461	6,509	5,359	1,150
Supplies and materials	5,593	35,428	33,838	1,590
Capital outlay	7,476	44,681	41,904	2,777
Total instruction	22,400	323,009	292,087	30,922
Support services:				
Instructional staff:				
Salaries and wages	1,215	98,558	82,610	15,948
Employee benefits	5,505	25,844	18,896	6,948
Purchased services	1,136	14,816	12,257	2,559
Supplies and materials	317	7,446	6,365	1,081
Other	-	330	330	-
Total instructional staff	8,173	146,994	120,458	26,536
Administration:				
Purchased services	6,461	15,843	10,752	5,091
Fiscal:				
Other	1,247	10,785	5,382	5,403
Total support services	15,881	173,622	136,592	37,030
Total expenditures	38,281	496,631	428,679	67,952
Excess of revenues over (under) expenditures	32,744	67,743	(76,851)	(144,594)
Other financing sources (uses):				
Advances - in	-	120,000	120,000	-
Advances - out	-	(35,000)	(35,000)	-
Total other financing sources (uses)	-	85,000	85,000	-
Net change in fund balance	32,744	152,743	8,149	(144,594)
Fund balance at beginning of year	372	372	372	-
Prior year encumbrances appropriated	6,441	6,441	6,441	-
Fund balance at end of year	\$ 39,557	\$ 159,556	\$ 14,962	\$ (144,594)

Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,936,677	\$ 5,126,200	\$ 2,793,227	\$ (2,332,973)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	163,818	187,200	44,726	142,474
Employee benefits	35,287	27,318	5,264	22,054
Purchased services	259,958	527,965	275,853	252,112
Supplies and materials	232,306	636,297	339,537	296,760
Capital outlay	259,528	427,885	275,095	152,790
Total instruction	950,897	1,806,665	940,475	866,190
Support services:				
Pupil:				
Salaries and wages	136,872	307,949	210,382	97,567
Employee benefits	45,420	106,823	62,027	44,796
Purchased services	154,788	201,821	69,575	132,246
Supplies and materials	20,403	47,803	25,701	22,102
Capital outlay	37,470	64,182	26,712	37,470
Other	-	1,383	1,383	-
Total pupil	394,953	729,961	395,780	334,181
Instructional staff:				
Salaries and wages	56,814	515,107	509,287	5,820
Employee benefits	4,072	258,402	257,214	1,188
Purchased services	7,778	69,978	69,495	483
Supplies and materials	24,806	70,505	532	69,973
Total instructional staff	93,470	913,992	836,528	77,464
Administration:				
Salaries and wages	56,672	314,779	270,922	43,857
Employee benefits	21,494	135,744	134,877	867
Purchased services	283,182	286,888	37,575	249,313
Supplies and materials	35,053	46,405	17,593	28,812
Other	7,018	194,379	187,961	6,418
Total administration	403,419	978,195	648,928	329,267

Continued

Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund (continued)

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Other	<u>43,244</u>	<u>70,873</u>	<u>39,432</u>	<u>31,441</u>
Pupil transportation:				
Salaries and wages	3,444	3,444	-	3,444
Employee benefits	11,657	11,657	-	11,657
Purchased services	<u>100,771</u>	<u>120,771</u>	<u>20,968</u>	<u>99,803</u>
Total pupil transportation	<u>115,872</u>	<u>135,872</u>	<u>20,968</u>	<u>114,904</u>
Total support services	<u>1,050,958</u>	<u>2,828,893</u>	<u>1,941,636</u>	<u>887,257</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	21,754	50,929	24,501	26,428
Employee benefits	24,776	39,990	12,067	27,923
Purchased services	42,572	132,117	82,916	49,201
Supplies and materials	<u>5,590</u>	<u>5,590</u>	<u>-</u>	<u>5,590</u>
Total operation of non-instructional services	<u>94,692</u>	<u>228,626</u>	<u>119,484</u>	<u>109,142</u>
Total expenditures	<u>2,096,547</u>	<u>4,864,184</u>	<u>3,001,595</u>	<u>1,862,589</u>
Excess of revenues over (under) expenditures	<u>(159,870)</u>	<u>262,016</u>	<u>(208,368)</u>	<u>(470,384)</u>
Other financing sources (uses):				
Transfers - in	484,431	484,431	-	(484,431)
Advances - in	100,000	600,000	500,000	(100,000)
Advances - out	<u>-</u>	<u>(425,000)</u>	<u>(425,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>584,431</u>	<u>659,431</u>	<u>75,000</u>	<u>(584,431)</u>
Net change in fund balance	424,561	921,447	(133,368)	(1,054,815)
Fund balance at beginning of year	701	701	701	-
Prior year encumbrances appropriated	<u>172,164</u>	<u>172,164</u>	<u>172,164</u>	<u>-</u>
Fund balance at end of year	\$ <u>597,426</u>	\$ <u>1,094,312</u>	\$ <u>39,497</u>	\$ <u>(1,054,815)</u>

Cleveland Heights-University Heights City School District

Vocational Education Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 95,984	\$ 396,469	\$ 291,981	\$ (104,488)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	1,265	116,297	116,166	131
Employee benefits	2,993	39,977	39,977	-
Purchased services	1,313	38,013	38,013	-
Supplies and materials	168	23,747	23,747	-
Capital outlay	2,080	7,877	7,877	-
Other	-	7,319	7,319	-
Total instruction	7,819	233,230	233,099	131
Support services:				
Pupil:				
Salaries and wages	1,569	57,337	55,442	1,895
Employee benefits	11	25,133	25,133	-
Total pupil	1,580	82,470	80,575	1,895
Pupil transportation:				
Purchased services	351	918	476	442
Total support services	1,931	83,388	81,051	2,337
Total expenditures	9,750	316,618	314,150	2,468
Excess of revenues over (under) expenditures	86,234	79,851	(22,169)	(102,020)
Other financing sources (uses):				
Advances - in	-	40,000	40,000	-
Advances - out	-	(22,000)	(22,000)	-
Total other financing sources (uses)	-	18,000	18,000	-
Net change in fund balance	86,234	97,851	(4,169)	(102,020)
Fund balance at beginning of year	831	831	831	-
Prior year encumbrances appropriated	8,423	8,423	8,423	-
Fund balance at end of year	\$ 95,488	\$ 107,105	\$ 5,085	\$ (102,020)

Cleveland Heights-University Heights City School District

State Fiscal Stabilization Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 1,413,487	\$ 1,413,487	\$ -
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Supplies and materials	-	242,163	242,163	-
Capital outlay	-	1,171,324	1,171,324	-
Total expenditures	-	1,413,487	1,413,487	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

Race to the Top Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 195,231	\$ 78,112	\$ (117,119)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	-	26,715	3,313	23,402
Employee benefits	-	5,525	562	4,963
Purchased services	-	33,016	10,419	22,597
Supplies and materials	-	12,500	2,456	10,044
Other	-	4,530	-	4,530
Total instruction	-	82,286	16,750	65,536
Central:				
Salaries and wages	-	28,500	11,132	17,368
Employee benefits	-	9,975	6,179	3,796
Supplies and materials	-	62,000	56,619	5,381
Capital outlay	-	12,470	905	11,565
Total central	-	112,945	74,835	38,110
Total expenditures	-	195,231	91,585	103,646
Excess of revenues over (under) expenditures	-	-	(13,473)	(13,473)
Other financing sources (uses):				
Advances - in	-	15,000	15,000	-
Net change in fund balance	-	15,000	1,527	(13,473)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ 15,000	\$ 1,527	\$ (13,473)

Cleveland Heights-University Heights City School District

Title II-D Technology Grants Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 188,826	\$ 161,129	\$ (27,697)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	37,250	33,819	3,431
Employee benefits	-	14,734	14,346	388
Purchased services	-	6,820	6,820	-
Supplies and materials	120	31,100	28,375	2,725
Capital outlay	-	66,575	57,694	8,881
Total instruction	120	156,479	141,054	15,425
Support services:				
Instructional staff:				
Salaries and wages	-	5,674	5,301	373
Employee benefits	-	982	904	78
Purchased services	124	19,805	7,713	12,092
Total instructional staff	124	26,461	13,918	12,543
Fiscal:				
Other	-	3,331	928	2,403
Total support services	124	29,792	14,846	14,946
Total expenditures	244	186,271	155,900	30,371
Excess of revenues over (under) expenditures	(244)	2,555	5,229	2,674
Other financing sources (uses):				
Advances - in	-	5,000	5,000	-
Advances - out	-	(2,800)	(2,800)	-
Total other financing sources (uses)	-	2,200	2,200	-
Net change in fund balance	(244)	4,755	7,429	2,674
Fund balance at beginning of year	77	77	77	-
Prior year encumbrances appropriated	244	244	244	-
Fund balance at end of year	\$ 77	\$ 5,076	\$ 7,750	\$ 2,674

Cleveland Heights-University Heights City School District

Title I Improvement Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 237,564	\$ 14,651	\$ (222,913)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	92,250	-	92,250
Employee benefits	-	15,433	-	15,433
Purchased services	-	13,632	9,502	4,130
Supplies and materials	-	25,535	25,535	-
Total instruction	-	146,850	35,037	111,813
Support services:				
Instructional staff:				
Salaries and wages	2	24,780	1,116	23,664
Employee benefits	-	4,151	186	3,965
Purchased services	-	49,508	17,062	32,446
Supplies and materials	-	8,003	3,120	4,883
Total instructional staff	2	86,442	21,484	64,958
Fiscal:				
Other	-	2,474	225	2,249
Total support services	2	88,916	21,709	67,207
Total expenditures	2	235,766	56,746	179,020
Excess of revenues over (under) expenditures	(2)	1,798	(42,095)	(43,893)
Other financing sources (uses):				
Advances - in	-	50,000	50,000	-
Advances - out	-	(1,800)	(1,800)	-
Total other financing sources (uses)	-	48,200	48,200	-
Net change in fund balance	(2)	49,998	6,105	(43,893)
Fund balance at beginning of year	40	40	40	-
Prior year encumbrances appropriated	2	2	2	-
Fund balance at end of year	\$ 40	\$ 50,040	\$ 6,147	\$ (43,893)

Cleveland Heights-University Heights City School District

Title III Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 37,726	\$ 63,252	\$ 20,300	\$ (42,952)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	10,526	19,711	14,463	5,248
Employee benefits	2,278	6,012	4,343	1,669
Purchased services	63	6,100	1,876	4,224
Supplies and materials	258	5,827	76	5,751
Total expenditures	13,125	37,650	20,758	16,892
Excess of revenues over (under) expenditures	24,601	25,602	(458)	(26,060)
Other financing sources (uses):				
Advances - in	-	4,000	4,000	-
Advances - out	-	(1,000)	(1,000)	-
Total other financing sources (uses)	-	3,000	3,000	-
Net change in fund balance	24,601	28,602	2,542	(26,060)
Fund balance at beginning of year	99	99	99	-
Fund balance at end of year	\$ 24,700	\$ 28,701	\$ 2,641	\$ (26,060)

Cleveland Heights-University Heights City School District

Title I Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,949,046	\$ 6,987,132	\$ 3,439,063	\$ (3,548,069)
Miscellaneous	-	-	6,099	6,099
Total revenues	<u>2,949,046</u>	<u>6,987,132</u>	<u>3,445,162</u>	<u>(3,541,970)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	493,666	1,977,670	1,455,221	522,449
Employee benefits	134,207	572,932	462,060	110,872
Supplies and materials	803,569	1,152,927	651,119	501,808
Capital outlay	<u>39,867</u>	<u>272,866</u>	<u>211,384</u>	<u>61,482</u>
Total instruction	<u>1,471,309</u>	<u>3,976,395</u>	<u>2,779,784</u>	<u>1,196,611</u>
Support services:				
Instructional staff:				
Salaries and wages	97,136	281,735	181,315	100,420
Employee benefits	48,180	86,237	35,844	50,393
Purchased services	402,583	514,915	200,373	314,542
Supplies and materials	<u>128,437</u>	<u>120,046</u>	<u>14,750</u>	<u>105,296</u>
Total instructional staff	<u>676,336</u>	<u>1,002,933</u>	<u>432,282</u>	<u>570,651</u>
Administration:				
Salaries and wages	81,599	177,404	88,723	88,681
Employee benefits	54,298	86,697	37,316	49,381
Purchased services	-	4,880	281	4,599
Supplies and materials	122	4,226	2,307	1,919
Capital outlay	<u>-</u>	<u>1,600</u>	<u>1,464</u>	<u>136</u>
Total administration	<u>136,019</u>	<u>274,807</u>	<u>130,091</u>	<u>144,716</u>
Fiscal:				
Other	<u>46,961</u>	<u>96,381</u>	<u>40,003</u>	<u>56,378</u>
Pupil transportation:				
Contractual services	<u>27,136</u>	<u>149,194</u>	<u>11,925</u>	<u>137,269</u>
Total support services	<u>886,452</u>	<u>1,523,315</u>	<u>614,301</u>	<u>909,014</u>
Operation of non-instructional services:				
Community services:				
Purchased services	<u>243,959</u>	<u>779,455</u>	<u>366,917</u>	<u>412,538</u>
Total expenditures	<u>2,601,720</u>	<u>6,279,165</u>	<u>3,761,002</u>	<u>2,518,163</u>

Continued

Cleveland Heights-University Heights City School District

Title I Fund (continued)

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	<u>347,326</u>	<u>707,967</u>	<u>(315,840)</u>	<u>(1,023,807)</u>
Other financing sources (uses):				
Transfers - in	252,211	252,211	-	(252,211)
Advances - in	67,500	437,500	370,000	(67,500)
Advances - out	-	<u>(413,500)</u>	<u>(413,500)</u>	-
Total other financing sources (uses)	<u>319,711</u>	<u>276,211</u>	<u>(43,500)</u>	<u>(319,711)</u>
Net change in fund balance	667,037	984,178	(359,340)	(1,343,518)
Fund balance at beginning of year	200,475	200,475	200,475	-
Prior year encumbrances appropriated	<u>182,197</u>	<u>182,197</u>	<u>182,197</u>	-
Fund balance at end of year	\$ <u>1,049,709</u>	\$ <u>1,366,850</u>	\$ <u>23,332</u>	\$ <u>(1,343,518)</u>

Cleveland Heights-University Heights City School District

Title V Innovative Program Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,772	\$ 8,772	\$ -	\$ (8,772)
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Purchased services	<u>2,660</u>	<u>2,660</u>	<u>-</u>	<u>2,660</u>
Net change in fund balance	6,112	6,112	-	(6,112)
Fund balance at beginning of year	<u>611</u>	<u>611</u>	<u>611</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>6,723</u></u>	\$ <u><u>6,723</u></u>	\$ <u><u>611</u></u>	\$ <u><u>(6,112)</u></u>

Cleveland Heights-University Heights City School District

Drug Free Schools Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 33,116	\$ 26,255	\$ 11,028	\$ (15,227)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	4,783	1,437	-	1,437
Employee benefits	7,330	355	-	355
Purchased services	3,480	13,095	11,298	1,797
Total pupil	15,593	14,887	11,298	3,589
Fiscal:				
Other	235	323	134	189
Total support services	15,828	15,210	11,432	3,778
Operation of non-instructional services:				
Community services:				
Purchased services	3,461	2,474	2,474	-
Total expenditures	19,289	17,684	13,906	3,778
Excess of revenues over (under) expenditures	13,827	8,571	(2,878)	(11,449)
Other financing sources (uses):				
Transfers - in	5,229	5,229	-	(5,229)
Advances - in	2,300	9,300	7,000	(2,300)
Advances - out	-	(3,800)	(3,800)	-
Total other financing sources (uses)	7,529	10,729	3,200	(7,529)
Net change in fund balance	21,356	19,300	322	(18,978)
Fund balance at beginning of year	27	27	27	-
Prior year encumbrances appropriated	410	410	410	-
Fund balance at end of year	\$ 21,793	\$ 19,737	\$ 759	\$ (18,978)

Cleveland Heights-University Heights City School District

Preschool Disabilities Grant Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 76,239	\$ 134,443	\$ 55,259	\$ (79,184)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	1,158	1,158	-	1,158
Employee benefits	506	506	-	506
Supplies and materials	3,003	3,003	-	3,003
Total instruction	4,667	4,667	-	4,667
Support services:				
Pupil:				
Salaries and wages	17,794	62,463	40,606	21,857
Employee benefits	18,103	28,021	12,553	15,468
Total pupil	35,897	90,484	53,159	37,325
Fiscal:				
Other	1,069	1,985	341	1,644
Total support services	36,966	92,469	53,500	38,969
Total expenditures	41,633	97,136	53,500	43,636
Excess of revenues over (under) expenditures	34,606	37,307	1,759	(35,548)
Other financing sources (uses):				
Transfers - in	3,280	3,280	-	(3,280)
Advances - in	-	3,000	3,000	-
Advances - out	-	(2,700)	(2,700)	-
Total other financing sources (uses)	3,280	3,580	300	(3,280)
Net change in fund balance	37,886	40,887	2,059	(38,828)
Fund balance at beginning of year	15	15	15	-
Fund balance at end of year	\$ 37,901	\$ 40,902	\$ 2,074	\$ (38,828)

Cleveland Heights-University Heights City School District

Title IIA - Improving Teacher Quality Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 235,292	\$ 687,977	\$ 243,219	\$ (444,758)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	37,813	217,541	105,469	112,072
Employee benefits	107,102	160,923	34,164	126,759
Purchased services	26,354	151,084	89,561	61,523
Supplies and materials	32,573	49,577	11,799	37,778
Total instructional staff	203,842	579,125	240,993	338,132
Fiscal:				
Other	1,675	8,740	3,846	4,894
Total support services	205,517	587,865	244,839	343,026
Operation of non-instructional services:				
Community services:				
Purchased services	42,857	113,473	9,905	103,568
Total expenditures	248,374	701,338	254,744	446,594
Excess of revenues over (under) expenditures	(13,082)	(13,361)	(11,525)	1,836
Other financing sources (uses):				
Transfers - in	26,435	26,435	-	(26,435)
Advances - in	93,000	93,000	-	(93,000)
Total other financing sources (uses)	119,435	119,435	-	(119,435)
Net change in fund balance	106,353	106,074	(11,525)	(117,599)
Fund balance at beginning of year	9,683	9,683	9,683	-
Prior year encumbrances appropriated	5,494	5,494	5,494	-
Fund balance at end of year	\$ 121,530	\$ 121,251	\$ 3,652	\$ (117,599)

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 173,667	\$ 587,070	\$ 431,478	\$ (155,592)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	5,612	81,273	65,919	15,354
Employee benefits	1,685	23,942	23,868	74
Purchased services	16,290	38,635	24,216	14,419
Supplies and materials	26,219	40,385	40,184	201
Capital outlay	859	12,000	11,682	318
Total regular	50,665	196,235	165,869	30,366
Support services:				
Pupil:				
Salaries and wages	5,068	131,704	131,134	570
Employee benefits	2,045	44,778	44,174	604
Purchased services	156	156	50	106
Total pupil	7,269	176,638	175,358	1,280
Instructional staff:				
Salaries and wages	660	342	-	342
Purchased services	17,562	63,058	54,970	8,088
Supplies and materials	3	821	821	-
Total instructional staff	18,225	64,221	55,791	8,430
Administration:				
Salaries and wages	1,994	1,994	-	1,994
Employee benefits	496	496	-	496
Total administration	2,490	2,490	-	2,490
Fiscal:				
Other	3,067	9,744	1,758	7,986
Pupil transportation:				
Purchased services	155	24,988	24,833	155
Total support services	31,206	278,081	257,740	20,341
Operation of non-instructional services:				
Community services:				
Purchased services	169	252	-	252
Total expenditures	82,040	474,568	423,609	50,959

Continued

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund (continued)

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	<u>91,627</u>	<u>112,502</u>	<u>7,869</u>	<u>(104,633)</u>
Other financing sources (uses):				
Advances - in	-	90,000	90,000	-
Advances - out	<u>-</u>	<u>(93,800)</u>	<u>(93,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(3,800)</u>	<u>(3,800)</u>	<u>-</u>
Net change in fund balance	91,627	108,702	4,069	(104,633)
Fund balance at beginning of year	151	151	151	-
Prior year encumbrances appropriated	<u>17,831</u>	<u>17,831</u>	<u>17,831</u>	<u>-</u>
Fund balance at end of year	\$ <u>109,609</u>	\$ <u>126,684</u>	\$ <u>22,051</u>	\$ <u>(104,633)</u>

Cleveland Heights-University Heights City School District

Debt Service Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 701,500	\$ 701,500	\$ 670,344	\$ (31,156)
Intergovernmental	90,000	90,000	90,804	804
Total revenues	<u>791,500</u>	<u>791,500</u>	<u>761,148</u>	<u>(30,352)</u>
Expenditures:				
Debt services:				
Principal	905,000	905,000	905,000	-
Interest and fiscal charges	<u>456,276</u>	<u>456,276</u>	<u>456,275</u>	<u>1</u>
Total expenditures	<u>1,361,276</u>	<u>1,361,276</u>	<u>1,361,275</u>	<u>1</u>
Excess of revenues over (under) expenditures	(569,776)	(569,776)	(600,127)	(30,351)
Other financing sources (uses):				
Transfers - in	<u>1,005,000</u>	<u>1,005,000</u>	<u>1,005,000</u>	<u>-</u>
Net change in fund balance	435,224	435,224	404,873	(30,351)
Fund balance at beginning of year	<u>99,138</u>	<u>99,138</u>	<u>99,138</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>534,362</u></u>	\$ <u><u>534,362</u></u>	\$ <u><u>504,011</u></u>	\$ <u><u>(30,351)</u></u>

Cleveland Heights-University Heights City School District

Permanent Improvement Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,385,000	\$ 3,385,000	\$ 3,048,181	\$ (336,819)
Intergovernmental	450,000	450,000	454,019	4,019
Miscellaneous revenue	-	123,658	5,608	(118,050)
Total revenues	<u>3,835,000</u>	<u>3,958,658</u>	<u>3,507,808</u>	<u>(450,850)</u>
Expenditures:				
Current:				
Support services:				
Operations and maintenance of plant:				
Purchased services	276,941	966,996	889,707	77,289
Supplies and materials	-	36,447	35,560	887
Total support services	<u>276,941</u>	<u>1,003,443</u>	<u>925,267</u>	<u>78,176</u>
Capital outlay:				
Site acquisition	<u>1,431,582</u>	<u>3,447,164</u>	<u>3,411,494</u>	<u>35,670</u>
Total expenditures	<u>1,708,523</u>	<u>4,450,607</u>	<u>4,336,761</u>	<u>113,846</u>
Excess of revenues over (under) expenditures	2,126,477	(491,949)	(828,953)	(337,004)
Other financing sources (uses):				
Transfers - out	<u>(1,005,000)</u>	<u>(1,089,050)</u>	<u>(1,005,000)</u>	<u>84,050</u>
Net change in fund balance	1,121,477	(1,580,999)	(1,833,953)	(252,954)
Fund balance at beginning of year	214,674	214,674	214,674	-
Prior year encumbrances appropriated	<u>1,708,524</u>	<u>1,708,524</u>	<u>1,708,524</u>	<u>-</u>
Fund balance at end of year	\$ <u>3,004,675</u>	\$ <u>342,199</u>	\$ <u>89,245</u>	\$ <u>(252,954)</u>

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2011

Nonmajor Enterprise Funds

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

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

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

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

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

Nonmajor Internal Service Funds

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

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

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

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets

Nonmajor Enterprise Funds

June 30, 2011

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 332,547	\$ 30,814	\$ 2,727	\$ 48,279	\$ 414,367
Accounts receivable	-	-	-	27,406	27,406
Materials and supplies inventories	6,996	-	-	-	6,996
Inventory held for resale	<u>20,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,194</u>
Total current assets	359,737	30,814	2,727	75,685	468,963
Non-current assets:					
Capital assets, net of depreciation	<u>178,515</u>	<u>-</u>	<u>-</u>	<u>354,882</u>	<u>533,397</u>
Total assets	<u>538,252</u>	<u>30,814</u>	<u>2,727</u>	<u>430,567</u>	<u>1,002,360</u>
Liabilities:					
Current liabilities:					
Accounts payable	51,910	-	-	-	51,910
Accrued wages and benefits	25,954	-	-	21,623	47,577
Interfund payable	1,483,168	-	-	-	1,483,168
Intergovernmental payable	54,934	-	-	36,604	91,538
Current portion of accrued compensated absences	<u>2,867</u>	<u>-</u>	<u>-</u>	<u>2,873</u>	<u>5,740</u>
Total current liabilities	1,618,833	-	-	61,100	1,679,933
Non-current liabilities:					
Accrued compensated absences	<u>38,091</u>	<u>-</u>	<u>-</u>	<u>38,171</u>	<u>76,262</u>
Total liabilities	<u>1,656,924</u>	<u>-</u>	<u>-</u>	<u>99,271</u>	<u>1,756,195</u>
Net assets:					
Invested in capital assets	178,515	-	-	354,882	533,397
Unrestricted (deficit)	<u>(1,297,187)</u>	<u>30,814</u>	<u>2,727</u>	<u>(23,586)</u>	<u>(1,287,232)</u>
Total net assets (deficit)	<u>\$ (1,118,672)</u>	<u>\$ 30,814</u>	<u>\$ 2,727</u>	<u>\$ 331,296</u>	<u>\$ (753,835)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	Food Services	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ -	\$ 720,938	\$ 720,938
Classroom materials and fees	-	14,746	-	-	14,746
Food services	405,888	-	-	-	405,888
Miscellaneous	-	15,615	1,000	-	16,615
Total operating revenues	<u>405,888</u>	<u>30,361</u>	<u>1,000</u>	<u>720,938</u>	<u>1,158,187</u>
Operating expenses:					
Salaries and wages	594,661	-	-	512,898	1,107,559
Fringe benefits	264,280	-	-	189,379	453,659
Purchased services	1,311,983	1,332	9,385	10,448	1,333,148
Supplies and materials	115,048	30,018	-	20,275	165,341
Depreciation	24,779	-	-	13,880	38,659
Total operating expenses	<u>2,310,751</u>	<u>31,350</u>	<u>9,385</u>	<u>746,880</u>	<u>3,098,366</u>
Operating loss	<u>(1,904,863)</u>	<u>(989)</u>	<u>(8,385)</u>	<u>(25,942)</u>	<u>(1,940,179)</u>
Non-operating revenues:					
Federal donated commodities	113,596	-	-	-	113,596
Intergovernmental grants	1,547,915	-	-	-	1,547,915
Total non-operating revenues	<u>1,661,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,661,511</u>
Net loss before transfers	(243,352)	(989)	(8,385)	(25,942)	(278,668)
Transfers	<u>-</u>	<u>62,829</u>	<u>-</u>	<u>106,489</u>	<u>169,318</u>
Net income (loss)	(243,352)	61,840	(8,385)	80,547	(109,350)
Net assets (deficit) at beginning of year, restated	<u>(875,320)</u>	<u>(31,026)</u>	<u>11,112</u>	<u>250,749</u>	<u>(644,485)</u>
Net assets (deficit) at end of year	\$ <u>(1,118,672)</u>	\$ <u>30,814</u>	\$ <u>2,727</u>	\$ <u>331,296</u>	\$ <u>(753,835)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2011

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 405,888	\$ 14,746	\$ -	\$ 707,138	\$ 1,127,772
Cash received from other operating sources	-	15,615	1,000	-	16,615
Cash payments for materials and supplies	-	(30,018)	-	(20,275)	(50,293)
Cash payments for goods and services	(1,310,016)	(1,332)	(10,385)	(10,448)	(1,332,181)
Cash payments to employees for services	(584,878)	-	-	(507,411)	(1,092,289)
Cash payments for employee benefits	(258,242)	-	-	(194,330)	(452,572)
Net cash used for operating activities	<u>(1,747,248)</u>	<u>(989)</u>	<u>(9,385)</u>	<u>(25,326)</u>	<u>(1,782,948)</u>
Cash flows from noncapital financing activities:					
Intergovernmental grants received	1,775,775	-	-	-	1,775,775
Transfers - in	-	62,829	-	106,489	169,318
Advances - in	400,000	-	-	-	400,000
Advances - out	(100,000)	(32,000)	-	(65,000)	(197,000)
Net cash provided by noncapital financing	<u>2,075,775</u>	<u>30,829</u>	<u>-</u>	<u>41,489</u>	<u>2,148,093</u>
Net increase (decrease) in cash and cash equivalents	328,527	29,840	(9,385)	16,163	365,145
Cash and cash equivalents at beginning of year	<u>4,020</u>	<u>974</u>	<u>12,112</u>	<u>32,116</u>	<u>49,222</u>
Cash and cash equivalents at end of year	<u>\$ 332,547</u>	<u>\$ 30,814</u>	<u>\$ 2,727</u>	<u>\$ 48,279</u>	<u>\$ 414,367</u>
Non-cash capital and noncapital financing activities:					
Federal donated commodities	\$ 113,596	\$ -	\$ -	\$ -	\$ 113,596

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended June 30, 2011

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating loss to net cash used for operating activities:					
Operating loss	\$ (1,904,863)	\$ (989)	\$ (8,385)	\$ (25,942)	\$ (1,940,179)
Adjustments:					
Depreciation	24,779	-	-	13,880	38,659
Federal donated commodities	113,596	-	-	-	113,596
Changes in assets/liabilities:					
Increase in accounts receivable	-	-	-	(13,800)	(13,800)
Increase in materials and supplies inventories	(2,727)	-	-	-	(2,727)
Decrease in inventory held for resale	4,179	-	-	-	4,179
Increase (decrease) in accounts payable	1,967	-	(1,000)	-	967
Increase in accrued wages and benefits	9,783	-	-	5,487	15,270
Increase in intergovernmental payable	3,555	-	-	2,028	5,583
Increase (decrease) in accrued compensated absences	2,483	-	-	(6,979)	(4,496)
Total adjustments	<u>157,615</u>	<u>-</u>	<u>(1,000)</u>	<u>616</u>	<u>157,231</u>
Net cash used for operating activities	\$ <u>(1,747,248)</u>	\$ <u>(989)</u>	\$ <u>(9,385)</u>	\$ <u>(25,326)</u>	\$ <u>(1,782,948)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets Nonmajor Internal Service Funds

June 30, 2011

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 4,184,073	\$ 1,667,352	\$ 5,851,425
Prepaid items	<u>138,412</u>	<u>-</u>	<u>138,412</u>
Total assets	<u>4,322,485</u>	<u>1,667,352</u>	<u>5,989,837</u>
Liabilities:			
Current liabilities:			
Intergovernmental payable	-	675,986	675,986
Claims payable	<u>1,886,600</u>	<u>-</u>	<u>1,886,600</u>
Total liabilities	<u>1,886,600</u>	<u>675,986</u>	<u>2,562,586</u>
Net assets:			
Unrestricted	\$ <u>2,435,885</u>	\$ <u>991,366</u>	\$ <u>3,427,251</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2011

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ -	\$ 815,114	\$ 815,114
Claims	<u>22,016,076</u>	<u>-</u>	<u>22,016,076</u>
Total operating revenues	<u>22,016,076</u>	<u>815,114</u>	<u>22,831,190</u>
Operating expenses:			
Salaries and wages	25,000	-	25,000
Fringe benefits	21,445,310	514,188	21,959,498
Purchased services	<u>53,857</u>	<u>24,850</u>	<u>78,707</u>
Total operating expenses	<u>21,524,167</u>	<u>539,038</u>	<u>22,063,205</u>
Operating income	491,909	276,076	767,985
Net assets at beginning of year	<u>1,943,976</u>	<u>715,290</u>	<u>2,659,266</u>
Net assets at end of year	\$ <u>2,435,885</u>	\$ <u>991,366</u>	\$ <u>3,427,251</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Internal Service Funds

For the Fiscal Year Ended June 30, 2011

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Increase in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from customers	\$ 22,020,788	\$ -	\$ 22,020,788
Cash received from claims	-	815,114	815,114
Cash payments for goods and services	(10,372,140)	(24,850)	(10,396,990)
Cash payments to employees for services	(25,000)	-	(25,000)
Cash payments for claims	<u>(11,092,515)</u>	<u>(650,442)</u>	<u>(11,742,957)</u>
Net cash provided by operating activities	<u>531,133</u>	<u>139,822</u>	<u>670,955</u>
Net increase in cash and cash equivalents	531,133	139,822	670,955
Cash and cash equivalents at beginning of year	<u>3,652,940</u>	<u>1,527,530</u>	<u>5,180,470</u>
Cash and cash equivalents at end of year	\$ <u>4,184,073</u>	\$ <u>1,667,352</u>	\$ <u>5,851,425</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 491,909	\$ 276,076	\$ 767,985
Adjustments:			
Changes in assets/liabilities:			
Decrease in accounts receivable	4,712	-	4,712
Increase in prepaid items	(8,969)	-	(8,969)
Decrease in accounts payable	(7,419)	-	(7,419)
Decrease in intergovernmental payable	-	(136,254)	(136,254)
Increase in claims payable	<u>50,900</u>	<u>-</u>	<u>50,900</u>
Total adjustments	<u>39,224</u>	<u>(136,254)</u>	<u>(97,030)</u>
Net cash provided by operating activities	\$ <u>531,133</u>	\$ <u>139,822</u>	\$ <u>670,955</u>

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

RIGHT:
SHELTON
Grade 11
Bellefaire School



ABOVE:
KAITLYN
Grade 9
Bellefaire School



Cleveland Heights-University Heights City School District

Bellefaire General Rotary Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 3,000,000	\$ 3,034,700	\$ 1,556,115	\$ (1,478,585)
Expenses:				
Salaries and wages:				
Regular instruction	294,150	298,000	297,782	218
Special instruction	1,277,081	1,287,381	1,286,851	530
Support services - pupil	284,925	330,000	292,048	37,952
Support services - administration	253,343	272,402	266,071	6,331
Total salaries and wages	<u>2,109,499</u>	<u>2,187,783</u>	<u>2,142,752</u>	<u>45,031</u>
Fringe benefits:				
Regular instruction	99,598	96,945	85,287	11,658
Special instruction	561,846	494,120	483,623	10,497
Support services - pupil	107,185	99,048	95,447	3,601
Support services - administration	129,757	109,173	108,043	1,130
Total fringe benefits	<u>898,386</u>	<u>799,286</u>	<u>772,400</u>	<u>26,886</u>
Purchased services:				
Special instruction	76,970	671,601	610,930	60,671
Support services - instruction	267	267	-	267
Total purchased services	<u>77,237</u>	<u>671,868</u>	<u>610,930</u>	<u>60,938</u>
Supplies and materials:				
Special instruction	<u>35,171</u>	<u>37,541</u>	<u>33,499</u>	<u>4,042</u>
Capital outlay:				
Special instruction	<u>10,700</u>	<u>2,440</u>	<u>1,740</u>	<u>700</u>
Total expenses	<u>3,130,993</u>	<u>3,698,918</u>	<u>3,561,321</u>	<u>137,597</u>
Excess of revenues over (under) expenditures	(130,993)	(664,218)	(2,005,206)	(1,340,988)
Other financing sources (uses):				
Advances - in	100,000	4,370,000	3,050,000	(1,320,000)
Advances - out	-	(790,000)	(790,000)	-
Total other financing sources (uses)	<u>100,000</u>	<u>3,580,000</u>	<u>2,260,000</u>	<u>(1,320,000)</u>
Net change in fund equity	(30,993)	2,915,782	254,794	(2,660,988)
Fund equity at beginning of year	8,629	8,629	8,629	-
Prior year encumbrances appropriated	<u>70,357</u>	<u>70,357</u>	<u>70,357</u>	<u>-</u>
Fund equity at end of year	\$ <u>47,993</u>	\$ <u>2,994,768</u>	\$ <u>333,780</u>	\$ <u>(2,660,988)</u>

Cleveland Heights-University Heights City School District

Food Services Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 480,500	\$ 514,500	\$ 405,888	\$ (108,612)
Intergovernmental	1,475,000	1,475,000	1,775,775	300,775
Total revenues	<u>1,955,500</u>	<u>1,989,500</u>	<u>2,181,663</u>	<u>192,163</u>
Expenses:				
Food service operations:				
Salaries and wages	590,521	590,521	584,878	5,643
Fringe benefits	258,876	292,876	258,242	34,634
Purchased services	<u>1,527,209</u>	<u>1,469,021</u>	<u>1,355,869</u>	<u>113,152</u>
Total expenses	<u>2,376,606</u>	<u>2,352,418</u>	<u>2,198,989</u>	<u>153,429</u>
Excess of revenues over (under) expenses	<u>(421,106)</u>	<u>(362,918)</u>	<u>(17,326)</u>	<u>345,592</u>
Other financing sources (uses):				
Advances - in	500,000	900,000	400,000	(500,000)
Advances - out	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>500,000</u>	<u>800,000</u>	<u>300,000</u>	<u>(500,000)</u>
Net change in fund equity	78,894	437,082	282,674	(154,408)
Fund equity at beginning of year	<u>4,020</u>	<u>4,020</u>	<u>4,020</u>	<u>-</u>
Fund equity at end of year	\$ <u>82,914</u>	\$ <u>441,102</u>	\$ <u>286,694</u>	\$ <u>(154,408)</u>

Cleveland Heights-University Heights City School District

Uniform School Supplies Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 50,000	\$ 99,639	\$ 14,746	\$ (84,893)
Miscellaneous	-	49,638	15,615	(34,023)
Total revenues	<u>50,000</u>	<u>149,277</u>	<u>30,361</u>	<u>(118,916)</u>
Expenses:				
Supplies and materials:				
Regular instruction	17,100	80,845	20,794	60,051
Other non-instructional services	<u>25,000</u>	<u>25,550</u>	<u>9,224</u>	<u>16,326</u>
Total supplies and materials	42,100	106,395	30,018	76,377
Purchased services:				
Other non-instructional services	-	1,794	1,332	462
Total expenses	<u>42,100</u>	<u>108,189</u>	<u>31,350</u>	<u>76,839</u>
Excess of revenues over (under) expenses	<u>7,900</u>	<u>41,088</u>	<u>(989)</u>	<u>(42,077)</u>
Other financing sources (uses):				
Transfers - in	-	62,829	62,829	-
Advances - out	-	<u>(32,000)</u>	<u>(32,000)</u>	-
Total other financing sources (uses)	-	<u>30,829</u>	<u>30,829</u>	-
Net change in fund equity	7,900	71,917	29,840	(42,077)
Fund equity at beginning of year	<u>974</u>	<u>974</u>	<u>974</u>	-
Fund equity at end of year	\$ <u>8,874</u>	\$ <u>72,891</u>	\$ <u>30,814</u>	\$ <u>(42,077)</u>

Cleveland Heights-University Heights City School District

Customer Services Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 39,500	\$ 1,000	\$ (38,500)
Expenses:				
Purchased services:				
Support services - administration	1,416	41,317	1,817	39,500
Supplies and materials:				
Special instruction	104	8,568	8,568	-
Total expenses	1,520	49,885	10,385	39,500
Net change in fund equity	(1,520)	(10,385)	(9,385)	1,000
Fund equity at beginning of year	10,592	10,592	10,592	-
Prior year encumbrances appropriated	1,520	1,520	1,520	-
Fund equity at end of year	\$ 10,592	\$ 1,727	\$ 2,727	\$ 1,000

Cleveland Heights-University Heights City School District

Community Services/Early Childhood Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 517,050	\$ 1,427,256	\$ 707,138	\$ (720,118)
Expenses:				
Community services:				
Salaries and wages	490,516	1,177,436	507,411	670,025
Fringe benefits	196,255	196,255	194,330	1,925
Purchased services	23,836	17,431	11,598	5,833
Supplies and materials	33,569	30,272	20,388	9,884
Total expenses	<u>744,176</u>	<u>1,421,394</u>	<u>733,727</u>	<u>687,667</u>
Excess of revenues over (under) expenses	<u>(227,126)</u>	<u>5,862</u>	<u>(26,589)</u>	<u>(32,451)</u>
Other financing sources (uses):				
Transfers - in	-	-	106,489	106,489
Advances - in	200,000	200,000	-	(200,000)
Advances - out	<u>-</u>	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>200,000</u>	<u>135,000</u>	<u>41,489</u>	<u>(93,511)</u>
Net change in fund equity	(27,126)	140,862	14,900	(125,962)
Fund equity at beginning of year	23,711	23,711	23,711	-
Prior year encumbrances appropriated	<u>8,405</u>	<u>8,405</u>	<u>8,405</u>	<u>-</u>
Fund equity at end of year	\$ <u>4,990</u>	\$ <u>172,978</u>	\$ <u>47,016</u>	\$ <u>(125,962)</u>

Cleveland Heights-University Heights City School District

Self-Insurance Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 22,320,000	\$ 22,755,051	\$ 22,020,788	\$ (734,263)
Expenses:				
Salaries and wages:				
Support services - central	-	25,000	25,000	-
Fringe benefits:				
Support services - central	12,501,379	12,851,430	12,353,186	498,244
Foundation settlement retiree	9,000,000	9,060,000	9,051,072	8,928
Total fringe benefits	21,501,379	21,911,430	21,404,258	507,172
Purchases services:				
Support services - central	139,929	139,929	61,601	78,328
Total expenses	21,641,308	22,076,359	21,490,859	585,500
Net change in fund equity	678,692	678,692	529,929	(148,763)
Fund equity at beginning of year	3,611,631	3,611,631	3,611,631	-
Prior year encumbrances appropriated	41,308	41,308	41,308	-
Fund equity at end of year	\$ 4,331,631	\$ 4,331,631	\$ 4,182,868	\$ (148,763)

Cleveland Heights-University Heights City School District

Workers' Compensation Fund

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

For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 750,000	\$ 815,000	\$ 815,114	\$ 114
Expenses:				
Fringe benefits:				
Support services - central	750,000	815,000	800,000	15,000
Purchased services:				
Support services - central	26,350	26,350	26,200	150
Total expenses	776,350	841,350	826,200	15,150
Net change in fund equity	(26,350)	(26,350)	(11,086)	15,264
Fund equity at beginning of year	1,526,180	1,526,180	1,526,180	-
Prior year encumbrances appropriated	1,350	1,350	1,350	-
Fund equity at end of year	\$ 1,501,180	\$ 1,501,180	\$ 1,516,444	\$ 15,264

Cleveland Heights-University Heights City School District

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>06/30/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/11</u>
Student activities:				
Assets:				
Equity in pooled cash and investments	\$ <u>29,623</u>	\$ <u>127,519</u>	\$ <u>98,281</u>	\$ <u>58,861</u>
Liabilities:				
Accounts payable	\$ 1,372	\$ 2,310	\$ 1,372	\$ 2,310
Due to students	<u>28,251</u>	<u>125,209</u>	<u>96,909</u>	<u>56,551</u>
Total liabilities	\$ <u>29,623</u>	\$ <u>127,519</u>	\$ <u>98,281</u>	\$ <u>58,861</u>



LEFT:
SARAH McDONNELL
Grade 4
Fairfax Elementary School



RIGHT:
A'MARIE HIGHTOWER
Grade 1
Gearity Professional
Development School



LEFT:
CAMRYN LOOR
Grade 1
Fairfax Elementary School

STATISTICAL *Section*



TOP:
NIA PRIMM, Grade 3, Canterbury Elementary School

BOTTOM:
AISHEL BROOKS, Canterbury Elementary School



Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2011

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

Contents	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	140-148
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	149-152
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	153-156
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.	157
Operating Information These schedules contain service data to help the reader understand how the Information in the District's financial report relates to the services the District provides and the activities it performs.	158-163

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

Cleveland Heights-University Heights City School District

Net Assets by Component

Last Nine Fiscal Years

Table 1

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
Invested in capital assets, net of related debt \$	12,716,152	\$ 20,600,881	\$ 23,498,247	\$ 22,141,251	\$ 26,323,176	\$ 27,570,443	\$ 30,310,942	\$ 32,798,348	\$ 26,268,632
Restricted for:									
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036	1,927,491	2,467,742	2,568,283	1,481,800
Debt service	-	-	-	574,741	581,198	617,346	657,395	304,922	656,723
Other purposes	-	1,782,304	867,606	285,016	4,423	54,665	1,159,654	1,725,730	364,493
Qualified Zone Academy Bond retirement	760,578	2,917,949	3,020,809	3,128,805	3,247,269	3,424,494	3,592,508	3,741,214	3,897,177
Unrestricted	<u>13,017,617</u>	<u>11,739,480</u>	<u>22,834,399</u>	<u>50,813,197</u>	<u>50,779,010</u>	<u>58,669,637</u>	<u>61,051,577</u>	<u>58,524,444</u>	<u>51,903,551</u>
Total net assets - governmental activities	<u>32,610,915</u>	<u>38,667,255</u>	<u>54,086,934</u>	<u>79,802,183</u>	<u>82,362,112</u>	<u>92,264,076</u>	<u>99,239,818</u>	<u>99,662,941</u>	<u>84,572,376</u>
Business-type activities:									
Invested in capital assets, net of related debt	661,924	821,275	787,690	754,143	721,008	687,993	655,529	770,730	533,397
Unrestricted (deficit)	<u>(869,152)</u>	<u>(832,913)</u>	<u>(969,636)</u>	<u>(1,194,310)</u>	<u>(2,320,676)</u>	<u>(4,039,596)</u>	<u>(4,205,298)</u>	<u>(5,220,860)</u>	<u>(8,139,020)</u>
Total net assets - business-type activities	<u>(207,228)</u>	<u>(11,638)</u>	<u>(181,946)</u>	<u>(440,167)</u>	<u>(1,599,668)</u>	<u>(3,351,603)</u>	<u>(3,549,769)</u>	<u>(4,450,130)</u>	<u>(7,605,623)</u>
Primary government:									
Invested in capital assets, net of related debt	13,378,076	21,422,156	24,285,937	22,895,394	27,044,184	28,258,436	30,966,471	33,569,078	26,802,029
Restricted for:									
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036	1,927,491	2,467,742	2,568,283	1,481,800
Debt service	-	-	-	574,741	581,198	617,346	657,395	304,922	656,723
Other purposes	760,578	1,782,304	867,606	285,016	4,423	54,665	1,159,654	1,725,730	364,493
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805	3,247,269	3,424,494	3,592,508	3,741,214	3,897,177
Unrestricted	<u>12,148,465</u>	<u>10,906,567</u>	<u>21,864,763</u>	<u>49,618,887</u>	<u>48,458,334</u>	<u>54,630,041</u>	<u>56,846,279</u>	<u>53,303,584</u>	<u>43,764,531</u>
Total net assets - primary government	\$ <u>32,403,687</u>	\$ <u>38,655,617</u>	\$ <u>53,904,988</u>	\$ <u>79,362,016</u>	\$ <u>80,762,444</u>	\$ <u>88,912,473</u>	\$ <u>95,690,049</u>	\$ <u>95,212,811</u>	\$ <u>76,966,753</u>

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

Cleveland Heights-University Heights City School District

Changes in Net Assets

Last Nine Fiscal Years

Table 2

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

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Nine Fiscal Years

Table 2

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

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Nine Fiscal Years

Table 2

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

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Nine Fiscal Years

Table 2

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

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

Cleveland Heights-University Heights City School District

Program Revenues by Function/Program

Last Nine Fiscal Years

Table 3

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

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

Cleveland Heights-University Heights City School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

Table 4

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377,185
Restricted	-	-	-	-	-	-	-	-	-	2,425,675
Assigned	-	-	-	-	-	-	-	-	-	1,587,479
Unassigned	-	-	-	-	-	-	-	-	-	49,220,502
Reserved	15,486,334	8,159,310	14,015,916	17,421,642	31,484,977	28,287,616	33,065,009	29,045,094	20,559,439	-
Unreserved	15,171,373	10,062,100	1,924,082	13,612,213	21,350,110	27,784,974	31,865,555	37,282,074	40,721,484	-
Total general fund	30,657,707	18,221,410	15,939,998	31,033,855	52,835,087	56,072,590	64,930,564	66,327,168	61,280,923	53,610,841
All other governmental funds:										
Restricted	-	-	-	-	-	-	-	-	-	6,242,013
Assigned	-	-	-	-	-	-	-	-	-	(1,358,259)
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	2,231,698	4,927,249	9,767,446	7,642,807	4,704,397	2,959,452	2,968,533	3,589,646	2,782,844	-
Unreserved, undesignated										
Reported in:										
Special revenue funds	1,075,052	953,319	217,477	1,179,271	648,244	(719,527)	(144,420)	(325,719)	10,070	-
Debt service funds	(182,807)	81,071	98,444	211,488	-	-	-	-	-	-
Capital projects funds	(176,962)	1,173,189	1,433,228	265,668	2,415,169	2,957,383	3,430,357	3,641,857	3,912,946	-
Total all other governmental funds	2,946,981	7,134,828	11,516,595	9,297,234	7,767,810	5,197,308	6,254,470	6,905,784	6,705,860	4,883,754
Total governmental funds	\$ 33,604,688	\$ 25,356,238	\$ 27,456,593	\$ 40,331,089	\$ 60,602,897	\$ 61,269,898	\$ 71,185,034	\$ 73,232,952	\$ 67,986,783	\$ 58,494,595

Source: School District financial records.

Note: The District implemented GASB 54 in 2011.

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

Table 5

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	\$ 62,143,581	\$ 46,308,999	\$ 60,162,590	\$ 65,125,482	\$ 80,068,149	\$ 62,525,139	\$ 70,309,309	\$ 65,374,496	\$ 58,111,449	\$ 59,741,780
Payments in lieu of property taxes	-	-	-	-	-	-	85,089	110,775	1,813	-
Intergovernmental	31,643,744	33,868,366	33,979,643	40,330,849	35,994,845	35,909,507	37,665,113	38,219,178	42,481,847	45,195,019
Tuition and fees	287,421	589,353	666,018	3,000,244	563,807	1,691,244	718,184	1,084,330	1,132,778	919,510
Transportation fees	61,297	56,288	76,823	51,315	-	-	-	-	-	-
Earnings on investments	828,171	254,688	169,792	462,659	1,432,840	2,322,959	1,900,552	1,200,992	489,176	306,230
Extracurricular activities	370,346	347,415	276,992	357,465	187,545	221,068	225,465	243,331	247,153	193,720
Classroom materials and fees	61,389	65,752	47,994	24,334	21,612	31,683	26,783	36,870	21,525	7,769
Food services	1,831	-	-	-	-	-	-	-	-	-
Miscellaneous	5,868,314	1,273,296	634,344	1,864,071	1,522,733	1,078,839	1,840,138	1,805,193	1,758,554	909,544
Total revenues	101,266,094	82,764,157	96,014,196	111,216,419	119,791,531	103,780,439	112,770,633	108,075,165	104,244,295	107,273,572
Expenditures:										
Current:										
Instruction:										
Regular	32,721,891	34,583,645	33,868,601	34,236,479	34,573,204	36,216,029	36,489,302	35,617,232	37,438,613	40,644,644
Special	6,843,267	7,558,962	7,718,576	8,465,988	8,604,906	9,727,158	9,575,382	10,458,889	12,350,826	13,869,106
Vocational	1,679,674	1,828,643	1,695,105	1,717,241	1,670,809	1,681,895	1,718,541	2,006,303	1,917,949	2,133,784
Adult/continuing	243,714	249,789	258,416	256,099	147,662	263,554	1,019,433	1,097,166	243,510	351,808
Other instruction	1,217,427	2,454,574	2,675,944	2,053,694	3,404,613	2,728,650	3,152,431	3,552,064	4,424,310	5,341,468
Support services:										
Pupil	7,205,878	7,951,441	8,910,162	9,398,698	9,460,564	9,397,066	8,718,866	8,728,926	9,040,268	9,059,801
Instructional staff	4,179,534	4,835,159	5,385,171	4,786,153	4,416,605	5,175,284	5,992,632	6,445,317	7,798,200	5,929,177
Board of education	245,198	491,748	543,274	620,020	530,377	484,231	545,385	460,684	482,582	590,673
Administration	5,573,613	5,524,040	5,848,938	6,001,439	6,124,940	6,245,179	7,091,960	6,640,220	6,172,891	6,231,154
Fiscal	2,029,914	1,956,620	1,532,415	1,982,278	2,050,644	2,186,609	2,076,801	2,185,469	3,029,193	2,441,153
Business	2,713,106	4,087,808	5,139,737	2,293,991	2,300,101	2,271,198	2,249,394	1,539,458	1,367,110	1,867,829
Operation and maintenance of plant	11,578,679	14,280,666	16,007,194	16,773,828	11,076,485	10,230,156	10,331,539	11,521,381	13,204,102	13,667,124
Pupil transportation	2,728,538	3,194,204	3,229,414	2,872,764	3,347,240	3,753,311	4,080,869	4,199,497	4,461,495	4,660,456
Central	3,004,062	2,942,986	2,594,369	2,726,067	2,982,146	2,861,101	2,926,115	3,619,618	3,727,743	3,786,451
Operations of non-instructional services:										
Food service	103	976	24	-	-	-	-	-	5,776	5,446
Community services	2,097,167	2,279,893	1,755,029	2,026,440	1,828,088	2,359,941	1,965,639	2,528,283	2,126,328	2,356,186
Other	78,040	100,920	50,795	-	94,520	96,664	105,715	115,736	120,946	123,112
Extracurricular activities	1,349,898	1,154,995	1,077,510	1,202,092	1,131,599	1,526,574	1,518,699	1,591,867	1,482,333	1,586,270
Capital outlay	10,547	139,138	124,678	-	4,268,101	4,132,268	2,091,645	1,809,386	-	-
Debt service:										
Principal	1,352,191	1,409,915	1,274,239	910,000	930,000	1,097,667	1,147,357	1,493,387	2,193,347	1,815,920
Interest and fiscal charges	198,676	729,241	733,060	596,144	571,259	676,318	709,119	744,720	503,908	532,226
Total expenditures	87,051,117	97,755,363	100,422,651	98,919,415	99,513,863	103,110,853	103,506,824	106,355,603	112,091,430	116,993,788

Continued

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years

Table 5

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Excess of revenues over (under) expenditures	<u>14,214,977</u>	<u>(14,991,206)</u>	<u>(4,408,455)</u>	<u>12,297,004</u>	<u>20,277,668</u>	<u>669,586</u>	<u>9,263,809</u>	<u>1,719,562</u>	<u>(7,847,135)</u>	<u>(9,720,216)</u>
Other financing sources (uses):										
Issuance of bonds	-	5,800,000	-	-	-	-	-	-	-	-
Inception of capital leases	660,000	732,323	835,560	577,492	-	-	796,303	678,728	2,600,966	397,346
Qualified zone academy bonds	-	-	5,500,000	-	-	-	-	-	-	-
Other	-	5,942	-	-	-	-	-	-	-	-
Transfers-in	297,345	2,307,593	7,128,579	1,432,606	997,692	1,339,411	1,383,323	2,077,014	570,000	1,303,351
Refund of prior year expenditures	-	-	-	-	71,786	-	-	-	-	-
Transfers-out	(464,290)	(2,103,102)	(6,955,329)	(1,432,606)	(994,692)	(1,341,996)	(1,528,299)	(2,427,386)	(570,000)	(1,472,669)
Refund of prior year receipts	-	-	-	-	(80,646)	-	-	-	-	-
Total other financing sources (uses)	<u>493,055</u>	<u>6,742,756</u>	<u>6,508,810</u>	<u>577,492</u>	<u>(5,860)</u>	<u>(2,585)</u>	<u>651,327</u>	<u>328,356</u>	<u>2,600,966</u>	<u>228,028</u>
Net change in fund balances	\$ <u>14,708,032</u>	\$ <u>(8,248,450)</u>	\$ <u>2,100,355</u>	\$ <u>12,874,496</u>	\$ <u>20,271,808</u>	\$ <u>667,001</u>	\$ <u>9,915,136</u>	\$ <u>2,047,918</u>	\$ <u>(5,246,169)</u>	\$ <u>(9,492,188)</u>
Debt service as a percentage of noncapital expenditures	1.79%	2.19%	1.98%	1.53%	1.51%	1.79%	1.83%	2.16%	2.52%	2.07%

Source: School District financial records.

Cleveland Heights-University Heights City School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Table 6

Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Total Direct Tax Rate	Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2002	\$ 929,693,070	\$ 2,656,265,914	\$ 20,379,170	\$ 23,158,147	\$ 24,751,484	\$ 99,005,936	\$ 974,823,724	\$ 2,778,429,997	\$ 121.10	35.0%
2003	937,234,820	2,677,813,771	31,701,920	36,024,909	25,539,854	111,042,843	994,476,594	2,824,881,523	121.10	35.0
2004	1,066,559,720	3,047,313,486	33,561,950	38,138,580	23,331,004	101,439,148	1,123,452,674	3,186,891,214	121.10	35.0
2005	1,135,565,940	3,244,474,114	30,356,400	34,495,909	22,495,796	97,807,809	1,188,418,136	3,376,777,832	129.50	35.0
2006	1,068,833,330	3,053,809,514	27,878,630	31,680,261	23,111,301	100,483,917	1,119,823,261	3,185,973,692	129.50	35.0
2007	1,218,353,600	3,481,010,286	17,706,520	20,121,046	11,791,553	94,332,424	1,247,851,673	3,595,463,756	129.60	34.7
2008	1,230,715,140	3,516,328,971	11,548,270	13,123,034	9,140,242	73,121,936	1,251,403,652	3,675,695,877	136.70	34.7
2009	1,217,296,300	3,477,989,429	12,095,890	13,745,330	4,791,945	76,671,120	1,234,184,135	3,568,405,879	136.70	34.6
2010	1,131,890,150	3,233,971,857	12,905,470	14,665,307	-	-	1,144,795,620	3,248,637,167	136.80	35.2
2011	1,133,384,720	3,238,242,057	13,289,430	15,101,625	-	-	1,146,674,150	3,253,343,682	136.80	35.2

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

Estimated actual values are calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility is assessed at 88 percent of actual value.

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

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

Cleveland Heights-University Heights City School District

Principal Taxpayers – Real Estate Tax

Fiscal Year 2011 and Fiscal Year 2001

Table 7

<u>Name of Taxpayer</u>	<u>December 31, 2010 (1)</u>	
	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Severance Spe Lease Co., LLC (SCIT, Inc.)	\$ 18,470,070	1.63%
Kaiser Foundation Health Plan of Ohio	11,621,820	1.03%
Inland Western University	6,377,040	0.56%
Coral Cedar Center LLC	6,093,970	0.54%
The May Department Stores	4,975,180	0.44%
ARC Cleveland Hts., LLC	3,757,150	0.33%
Concord Park I, II, & III	2,591,190	0.23%
Target Corp.	2,555,010	0.23%
Kensington LTD	2,520,000	0.22%
Western Reserve (Severance Housing Corp.)	2,229,290	0.20%
Total	\$ <u>61,190,720</u>	<u>5.41%</u>

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

Source: Cuyahoga County Auditor

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

(2) Assessed values are for the 2001 collection year.

Cleveland Heights-University Heights City School District

Property Tax Rates – Direct and Overlapping Governments

Last Ten Years

Table 8

Tax Year	School Levy	County Levy	City Levy	Metro Parks Levy	Library Levy	Tri-C Levy	Cleveland Port Authority Levy	Total Levy	Debt Service Included in Total Levy			
									School	County	City	Total
2001/2002	\$121.10	\$ 14.65	\$ 14.00	\$ 1.55	\$ 5.90	\$ 0.00	\$ 0.00	\$ 157.20	\$ 3.80	\$ 0.86	\$ 6.00	\$ 10.66
2002/2003	121.10	14.65	14.10	1.55	5.90	0.00	0.00	157.30	3.80	0.91	6.10	10.81
2003/2004	121.10	13.52	14.00	1.55	5.90	2.80	0.13	159.00	3.80	0.91	6.00	10.71
2004/2005	129.50	13.52	13.10	1.85	5.90	2.80	0.13	166.80	3.80	0.61	6.48	10.89
2005/2006	129.50	13.52	13.00	1.85	5.90	2.80	0.13	166.70	3.80	0.71	6.48	10.99
2006/2007	129.60	13.42	13.00	1.85	5.90	2.80	0.13	166.70	3.80	0.74	6.48	11.02
2007/2008	136.70 ⁽¹⁾	13.42	12.90	1.85	5.90	2.80	0.13	173.70	3.80	0.74	6.48	11.02
2008/2009	136.70 ⁽¹⁾	13.32	12.90	1.85	7.80	2.80	0.13	175.50	3.80	0.74	6.48	11.02
2009/2010	136.80 ⁽²⁾	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02
2010/2011	136.80 ⁽²⁾	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02

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

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

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

Cleveland Heights-University Heights City School District

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

Last Ten Years

Table 9

<u>Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Percent of Total Collections to Tax Levy</u>
2002	\$ 61,457,814	\$ 3,264,265	\$ 64,722,079	\$ 53,422,810	86.93%	\$ 1,476,879	\$ 54,899,689	84.82%
2003	60,216,887	4,017,319	64,234,206	57,410,608	95.33	2,830,263	60,240,871	93.78
2004	63,884,607	3,977,674	67,862,281	58,532,812	91.62	3,179,666	61,712,478	90.94
2005	73,993,743	6,538,173	80,531,917	65,677,215	88.76	3,208,654	68,885,869	85.54
2006	73,180,871	6,317,749	79,498,620	69,220,320	94.58	4,081,167	73,301,487	92.20
2007	72,118,959	6,209,258	78,328,217	68,342,993	94.76	3,433,220	71,776,214	91.64
2008	80,279,737	6,829,786	87,109,523	69,488,916	86.56	4,198,730	73,687,646	84.59
2009	79,306,636	6,986,422	86,293,058	73,681,014	92.91	4,122,635	77,803,649	90.16
2010	78,224,800	6,840,923	85,065,723	72,761,558	93.02	3,556,037	76,317,595	89.72
2011	77,544,197	7,955,876	85,500,073	70,779,938	91.28	3,834,324	74,614,262	87.27

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

Cleveland Heights-University Heights City School District

Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2010

Table 10

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District⁽¹⁾</u>	<u>Amount Applicable to School District</u>
Direct:			
Cleveland Heights - University Heights City School District	\$ <u>9,390,000</u>	100.00%	\$ <u>9,390,000</u>
Total direct	<u>9,390,000</u>		<u>9,390,000</u>
Overlapping:			
City of Cleveland Heights	18,665,000	76.04	14,192,866
City of South Euclid	5,775,000	1.97	113,768
City of University Heights	3,421,000	21.99	752,278
Cuyahoga County	319,446,948	3.86	12,330,652
Regional Transit Authority	<u>152,760,000</u>	3.86	<u>5,896,536</u>
Total overlapping	<u>500,067,948</u>		<u>33,286,100</u>
Grand total	\$ <u>509,457,948</u>		\$ <u>42,676,100</u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations were used for the 2010 collection year.

Cleveland Heights-University Heights City School District

Computation of Legal Debt Margin

Last Ten Fiscal Years

Table 11

	2002	2003	2004	2005	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010	2011
Assessed valuation	\$ 974,823,724	\$ 994,476,594	\$ 1,123,452,674	\$ 1,188,418,136	\$ 1,079,491,310	\$ 1,229,566,760	\$ 1,242,263,410	\$ 1,226,213,160	\$ 1,144,795,620	\$ 1,146,674,150
Debt limit - 9% of assessed value	\$ 87,734,135	\$ 89,502,893	\$ 101,110,741	\$ 106,957,632	\$ 97,154,218	\$ 110,661,008	\$ 111,803,707	\$ 110,359,184	\$ 103,031,606	\$ 103,200,674
Amount of debt applicable to debt limit:										
General obligation bonds	11,079,990	16,189,990	15,534,990	14,624,990	13,694,990	12,856,619	12,009,871	11,170,000	10,295,000	9,390,000
Tax anticipation note	400,000	-	-	-	-	-	-	-	-	-
Less: amount available in debt service fund	(9,317,193)	(81,071)	(258,667)	(394,441)	(574,741)	(581,198)	(626,363)	(634,411)	(289,163)	(619,703)
Total	<u>2,162,797</u>	<u>16,108,919</u>	<u>15,276,323</u>	<u>14,230,549</u>	<u>13,120,249</u>	<u>12,275,421</u>	<u>11,383,508</u>	<u>10,535,589</u>	<u>10,005,837</u>	<u>8,770,297</u>
Exemptions:										
Tax anticipation notes	400,000	-	-	-	-	-	-	-	-	-
Total exemptions	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount of debt subject to the limit	<u>1,762,797</u>	<u>16,108,919</u>	<u>15,276,323</u>	<u>14,230,549</u>	<u>13,120,249</u>	<u>12,275,421</u>	<u>11,383,508</u>	<u>10,535,589</u>	<u>10,005,837</u>	<u>8,770,297</u>
Overall debt margin	\$ <u>85,971,338</u>	\$ <u>73,393,974</u>	\$ <u>85,834,418</u>	\$ <u>92,727,083</u>	\$ <u>84,033,969</u>	\$ <u>98,385,587</u>	\$ <u>100,420,199</u>	\$ <u>99,823,595</u>	\$ <u>93,025,769</u>	\$ <u>94,430,377</u>
Debt margin - .10% of assessed Value (1)	\$ 974,823	\$ 994,477	\$ 1,123,453	\$ 1,188,418	\$ 1,079,491	\$ 1,229,567	\$ 1,242,263	\$ 1,226,213	\$ 1,144,796	\$ 1,146,674
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ <u>974,823</u>	\$ <u>994,477</u>	\$ <u>1,123,453</u>	\$ <u>1,188,418</u>	\$ <u>1,079,491</u>	\$ <u>1,229,567</u>	\$ <u>1,242,263</u>	\$ <u>1,226,213</u>	\$ <u>1,144,796</u>	\$ <u>1,146,674</u>
Total net debt applicable to the limit as a percentage of debt limit	2.01%	18.00%	15.11%	13.30%	13.50%	11.09%	10.18%	9.55%	9.71%	8.50%

Source: Cuyahoga County Auditor and School District financial records

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

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

Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years

Table 12

Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Energy Conservation Notes	Notes Payable	Capital Leases	Qualified Zone Academy Bonds			
2002	\$ 9,499,990	\$ 1,580,000	\$ 9,500,000	\$ 1,270,945	\$ -	\$ 21,850,935	1.67%	\$ 336.61
2003	9,249,990	6,940,000	-	985,513	-	17,175,503	1.31	264.58
2004	9,034,990	6,500,000	-	1,201,834	5,500,000	22,236,824	1.70	342.55
2005	8,784,990	5,840,000	-	1,141,507	5,500,000	21,266,497	1.62	327.61
2006	8,524,990	5,170,000	-	514,173	5,500,000	19,709,163	1.50	303.61
2007	8,371,619	4,485,000	-	254,877	5,500,000	18,611,496	1.42	286.71
2008	8,219,871	3,790,000	-	750,571	5,500,000	18,260,442	1.39	281.30
2009	8,085,000	3,085,000	-	775,783	5,500,000	17,445,783	1.33	268.75
2010	7,790,000	2,505,000	-	2,058,402	5,500,000	17,853,402	1.36	299.25
2011	7,480,000	1,910,000	-	1,544,828	5,500,000	16,434,828	1.18	275.47

Source: School District financial records

Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years

Table 13

<u>Fiscal Year</u>	<u>Gross General Bonded Debt⁽¹⁾</u>	<u>Less Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value⁽²⁾</u>	<u>Population⁽³⁾</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Debt Per Capita</u>
2001/2002	\$ 11,079,990	\$ 9,484,932	\$ 1,595,058	\$ 974,823,724	64,915	0.16%	\$ 25
2002/2003	16,189,990	151,399	16,038,591	994,476,594	64,915	1.61	247
2003/2004	15,534,990	258,667	15,276,323	1,123,452,674	64,915	1.36	235
2004/2005	14,624,990	394,441	14,230,549	1,188,418,136	64,915	1.20	219
2005/2006	13,694,990	574,741	13,120,249	1,119,823,261	64,915	1.17	202
2006/2007	12,856,619	581,198	12,275,421	1,247,851,673	64,915	0.98	189
2007/2008	12,009,871	626,363	11,383,508	1,251,403,652	64,915	0.91	175
2008/2009	11,170,000	634,411	10,535,589	1,234,184,135	64,915	0.85	162
2009/2010	10,295,000	289,163	10,005,837	1,144,795,620	59,660	0.87	168
2010/2011	9,390,000	619,703	8,770,297	1,146,674,150	59,660	0.76	147

Sources:

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

Cleveland Heights-University Heights City School District

Demographic and Economic Statistics

Last Ten Fiscal Years

Table 14

<u>Year</u>	<u>County Population(1)</u>	<u>Cleveland Heights Population(1)</u>	<u>University Heights Population(1)</u>	<u>School Enrollment(2)</u>	<u>Unemployment Rate(3)</u>	<u>Cleveland Hts. Median Family Income(1)</u>	<u>University Hts. Median Family Income(1)</u>	<u>Total Personal Income(1)</u>	<u>Total Personal Per Capita</u>
2002	1,380,421	50,769	14,146	6,897	4.60%	\$ 58,028	\$ 75,424	\$ 1,310,043,276	\$ 20,181
2003	1,393,978	50,769	14,146	6,821	4.50	58,028	75,424	1,310,043,276	20,181
2004	1,393,978	50,769	14,146	6,679	4.50	58,028	75,424	1,310,043,276	20,181
2005	1,393,978	50,769	14,146	6,711	5.90	58,028	75,424	1,310,043,276	20,181
2006	1,393,978	50,769	14,146	6,235	5.30	58,028	75,424	1,310,043,276	20,181
2007	1,393,978	50,769	14,146	6,058	5.20	58,028	75,424	1,310,043,276	20,181
2008	1,393,978	50,769	14,146	5,767	7.10	58,028	75,424	1,310,043,276	20,181
2009	1,393,978	50,769	14,146	5,915	8.60	58,028	75,424	1,310,043,276	20,181
2010	1,280,122	46,121	13,539	5,832	9.40	49,056	75,424	1,310,043,276	21,958
2011	1,280,122	46,121	13,539	5,870	7.30	49,056	75,424	1,395,621,460	23,393

Sources:

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

Cleveland Heights-University Heights City School District

Principal Employers

Fiscal Year 2006 and Fiscal Year 2011

Table 15

December 31, 2005				December 31, 2010			
<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employees</u>	<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employees</u>
Cleveland Heights-University Heights Board of Education	School District	1,164	3.70%	John Carroll University	Education	2,313	7.57%
Cleveland Heights City Hall	Local Government	921	2.92%	Cleveland Heights-University Heights Board of Education	School District	1,480(a)	4.84%
John Carroll University	Education	585	1.86%	Cleveland Heights City Hall	Local Government	780	2.55%
Wal Mart	Retail	300	0.95%	Target	Retail	381	1.25%
Kaiser Permanente	Healthcare	300	0.95%	Ohio Permanente Medical Grp	Healthcare	365	1.19%
Heinen's	Grocery/Retail	200	0.64%	Walmart	Retail	350	1.19%
Kauffman's	Retail	200	0.64%	Kaiser Foundation	Healthcare	310	1.14%
Target	Retail	200	0.64%	Zagara's	Retail	278	1.01%
Tops	Grocery/Retail	190	0.60%	Bellefaire Jewish Children's	Social Services	229	0.75%
Home Depot	Retail/Lumber	<u>150</u>	<u>0.48%</u>	Just Like Familee III	Social Services	<u>214</u>	<u>0.70%</u>
Total		<u>4,210</u>	<u>13.38%</u>	Total		<u>6,700</u>	<u>22.19%</u>
Total Employment within the School District		<u>31,488</u>		Total Employment within the School District		<u>30,572</u>	

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

(a) Includes full and part-time employees

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program

June 30, 2011

Table 16

Boulevard Elementary School

Constructed in 1975	
Total Building Square Footage	51,437
Enrollment Grades K-5	340
Regular Instruction Teachers	24
Special Instruction Teachers	5

Canterbury Elementary School

Constructed in 1927	
Total Building Square Footage	65,800
Enrollment Grades K-5	391
Regular Instruction Teachers	26
Special Instruction Teachers	5

Bellefaire School

Constructed in 1928	
Total Building Square Footage	22,000
Enrollment Grades K-5	70
Regular Instruction Teachers	10
Special Instruction Teachers	15

Fairfax Elementary School

Constructed in 1975	
Total Building Square Footage	59,000
Enrollment Grades K-5	412
Regular Instruction Teachers	27
Special Instruction Teachers	6

Gearity Professional Development School

Constructed in 1954	
Total Building Square Footage	70,856
Enrollment Grades K-5	297
Regular Instruction Teachers	22
Special Instruction Teachers	12

Noble Elementary School

Constructed in 1922	
Total Building Square Footage	74,250
Enrollment Grades K-5	401
Regular Instruction Teachers	26
Special Instruction Teachers	4

Oxford Elementary School

Constructed in 1928	
Total Building Square Footage	61,400
Enrollment Grades K-5	358
Regular Instruction Teachers	25
Special Instruction Teachers	3

Roxboro Elementary School

Constructed in 1920	
Total Building Square Footage	55,600
Enrollment Grades K-5	338
Regular Instruction Teachers	23
Special Instruction Teachers	5

Monticello Middle School

Constructed in 1930	
Total Building Square Footage	130,000
Enrollment Grades 6-8	462
Regular Instruction Teachers	36
Special Instruction Teachers	11

Roxboro Middle School

Constructed in 1931	
Total Building Square Footage	113,380
Enrollment Grades 6-8	534
Regular Instruction Teachers	44
Special Instruction Teachers	9

Wiley Middle School

Constructed in 1954	
Total Building Square Footage	133,127
Enrollment Grades 6-8	425
Regular Instruction Teachers	35
Special Instruction Teachers	8

Cleveland Heights High School

Constructed in 1925	
Total Building Square Footage	395,400
Enrollment Grades 9-12	1,842
Regular Instruction Teachers	112
Special Instruction Teachers	27

Source: School District's appraisal reports and personnel records

Cleveland Heights-University Heights School District

Per Pupil Cost

Last Ten Fiscal Years

Table 17

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students who Receive Free or Reduced Lunch (3)</u>
2002	\$ 87,326,278	6,897	\$ 12,661	7.69%	595	11.59	37.96%
2003	99,842,231	6,821	14,637	15.61	610	11.18	43.64
2004	85,249,293	6,683	12,756	(12.85)	581	11.50	44.32
2005	80,024,949	6,451	12,405	(2.75)	473	13.64	48.54
2006	83,685,378	6,235	13,422	8.20	491	12.70	51.09
2007	85,208,087	6,058	14,065	4.79	484	12.52	55.22
2008	88,720,072	5,767	15,384	9.38	455	12.67	53.16
2009	91,499,897	5,915	15,469	0.55	459	12.89	54.77
2010	94,323,087	5,832	16,173	4.55	480	12.15	50.22
2011	98,849,032	5,870	16,840	4.12	520	11.29	59.60

Source: School District records

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

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

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

N/A – Information not available.

Cleveland Heights-University Heights School District

Teacher Education and Experience

Last Ten Fiscal Years

Table 18

<u>Degree</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Bachelor's Degree	174	162	143	132	106	107	102	94	102	112
Master's Degree	420	444	433	338	382	374	350	362	373	403
PhD	1	4	5	3	3	3	3	3	5	5
Total	<u>595</u>	<u>610</u>	<u>581</u>	<u>473</u>	<u>491</u>	<u>484</u>	<u>455</u>	<u>459</u>	<u>480</u>	<u>520</u>
<u>Years of Experience</u>										
0-5	193	233	77	142	43	52	48	50	90	103
6-10	75	106	98	97	82	76	56	50	68	98
11 and over	327	271	406	234	366	356	351	359	322	319
Total	<u>595</u>	<u>610</u>	<u>581</u>	<u>473</u>	<u>491</u>	<u>484</u>	<u>455</u>	<u>459</u>	<u>480</u>	<u>520</u>

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

Cleveland Heights-University Heights School District

Attendance and Graduation Rates

Last Ten Fiscal Years

Table 19

<u>Year</u>	<u>District Attendance Rate</u>	<u>State Average</u>	<u>District Graduation Rate</u>	<u>State Average</u>
2002	94.2%	94.3%	79.6%	82.7%
2003	94.6	94.5	88.0	84.3
2004	94.6	94.5	90.0	85.9
2005	94.2	94.3	89.1	86.2
2006	94.5	94.1	96.4	86.1
2007	94.2	94.1	96.0	86.9
2008	94.3	94.2	93.2	84.6
2009	94.6	94.3	85.6	83.0
2010	95.0	94.3	92.9	84.3
2011	94.9	94.5	(a)	(a)

Source: Ohio Department of Education Local Report Card.

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

Cleveland Heights-University Heights City School District

Full-time School District Employees by Function

Last Seven Fiscal Years

Table 20

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

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

(1) Includes food services personnel.

Cleveland
University **Heights**



City School District

Goals Statement

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

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

RIGHT:
SYLVIE CROWELL
Grade 5
Roxboro
Elementary School



About the Artwork

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



ABOVE RIGHT:
KINDERGARTEN CIRCLE QUILT
Noble Elementary School

ABOVE LEFT:
SYDNEY FINLEY-HOUSTON
Grade 5, Noble Elementary School

RIGHT:
TREASURE
Grade 9, Bellfaire School



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

**Single Audit Reports
June 30, 2011**

Cleveland Heights – University Heights City School District

For the Year Ended June 30, 2011

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights - University Heights City School District (the “District”) as of and for the year ended June 30, 2011, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 23, 2011, wherein we noted the District implemented *GASB Statement Nos. 54 and 59*, as disclosed in Note 2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

Board of Education
Cleveland Heights – University Heights
City School District

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings to be material weakness: 2011-1.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings to be a significant deficiency: 2011-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District, in a separate letter dated December 23, 2011.

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

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

Cini & Paricki, Inc.

Cleveland, Ohio
December 23, 2011

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

Independent Auditor's Report

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

Compliance

We have audited the Cleveland Heights - University Heights City School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are 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 each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings as item 2011-03.

Internal Control over Compliance

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 23, 2011, wherein we noted the District implemented *GASB Statement Nos. 54 and 59*, as disclosed in Note 2. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We noted certain matters that we reported to management of the District in a separate letter dated December 23, 2011.

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

Board of Education
Cleveland Heights – University Heights
City School District

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

Cinni & Panichi, Inc.

Cleveland, Ohio
December 23, 2011

Cleveland Heights – University Heights City School District

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant Year	Federal CFDA Number	Receipts	Non-cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture:						
Passed-Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	2011	10.553	\$ 301,531	\$ -	\$ 301,531	\$ -
School Lunch Program	2011	10.555	<u>1,429,445</u>	<u>113,596</u>	<u>1,429,445</u>	<u>113,596</u>
Total Nutrition Cluster			<u>1,730,976</u>	<u>113,596</u>	<u>1,730,976</u>	<u>113,596</u>
Total U.S. Department of Agriculture			<u>1,730,976</u>	<u>113,596</u>	<u>1,730,976</u>	<u>113,596</u>
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Adult Education – State Grant Program	2010	84.002	34,064	-	5,881	-
Adult Education – State Grant Program	2011	84.002	<u>293,701</u>	<u>-</u>	<u>366,622</u>	<u>-</u>
Total Adult Education – State Grant Program			<u>327,765</u>	<u>-</u>	<u>372,503</u>	<u>-</u>
Title I Cluster:						
Title I	2010	84.010	153,071	-	88,070	-
Title I	2011	84.010	<u>2,429,774</u>	<u>-</u>	<u>2,511,623</u>	<u>-</u>
Subtotal Title I			<u>2,582,845</u>	<u>-</u>	<u>2,599,693</u>	<u>-</u>
ARRA – Title I	2010	84.389	8,190	-	5,484	-
ARRA – Title I	2011	84.389	<u>862,679</u>	<u>-</u>	<u>897,294</u>	<u>-</u>
Subtotal ARRA – Title I			<u>870,869</u>	<u>-</u>	<u>902,778</u>	<u>-</u>
Total Title I Cluster			<u>3,453,714</u>	<u>-</u>	<u>3,502,471</u>	<u>-</u>
Special Education Cluster:						
Title VI-B	2010	84.027	232,567	-	11,607	-
Title VI-B	2011	84.027	<u>1,482,814</u>	<u>-</u>	<u>1,609,494</u>	<u>-</u>
Subtotal Title VI-B			<u>1,715,381</u>	<u>-</u>	<u>1,621,101</u>	<u>-</u>
Special Education – Preschool Grant	2011	84.173	<u>33,284</u>	<u>-</u>	<u>33,284</u>	<u>-</u>
ARRA – Special Education – Grants to States	2010	84.391	166,626	-	135,455	-
ARRA – Special Education – Grants to States	2011	84.391	<u>907,467</u>	<u>-</u>	<u>1,157,595</u>	<u>-</u>
Subtotal ARRA – Special Education – Grants to States			<u>1,074,093</u>	<u>-</u>	<u>1,293,050</u>	<u>-</u>
ARRA – Special Education – Preschool Grants	2010	84.392	2,099	-	41	-
ARRA – Special Education – Preschool Grants	2011	84.392	<u>19,875</u>	<u>-</u>	<u>20,175</u>	<u>-</u>
Subtotal ARRA – Special Education – Preschool Grants			<u>21,974</u>	<u>-</u>	<u>20,216</u>	<u>-</u>
Total Special Education Cluster			<u>2,844,732</u>	<u>-</u>	<u>2,967,651</u>	<u>-</u>
Vocational Education	2010	84.048	22,648	-	9,750	-
Vocational Education	2011	84.048	<u>269,333</u>	<u>-</u>	<u>300,485</u>	<u>-</u>
Total Vocational Education			<u>291,981</u>	<u>-</u>	<u>310,235</u>	<u>-</u>
Drug-Free Schools Grant	2011	84.186	<u>8,832</u>	<u>-</u>	<u>8,375</u>	<u>-</u>
Twenty-First Century Community Learning	2010	84.287	23,238	-	12,482	-
Twenty-First Century Community Learning	2011	84.287	<u>320,879</u>	<u>-</u>	<u>322,984</u>	<u>-</u>
Total Twenty-First Century Community Learning			<u>344,117</u>	<u>-</u>	<u>335,466</u>	<u>-</u>

(continued)

The accompanying notes are an integral part of this schedule.

Cleveland Heights – University Heights City School District

Schedule of Expenditures of Federal Awards (continued)

For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant Year	Federal CFDA Number	Receipts	Non-cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Education Technology Cluster:						
Education Technology State Grants	2010	84.318	2,522	-	44	-
Education Technology State Grants	2011	84.318	13,283	-	11,099	-
Subtotal Education Technology State Grant			15,805	-	11,143	-
ARRA – Education Technology State Grants	2011	84.386	145,324	-	141,381	-
Total Education Technology Cluster			161,129	-	152,524	-
English Language Acquisition Grant	2010	84.365	1,163	-	351	-
English Language Acquisition Grant	2011	84.365	19,137	-	20,325	-
Total English Language Acquisition Grant			20,300	-	20,676	-
Improving Teacher Quality State Grant	2010	84.367	14,908	-	2,302	-
Improving Teacher Quality State Grant	2011	84.367	236,311	-	246,461	-
Total Improving Teacher Quality State Grant			251,219	-	248,763	-
ARRA – School Improvement Grant	2011	84.388	578,616	-	694,109	-
ARRA – State Fiscal Stabilization Fund	2011	84.394	1,413,487	-	1,413,487	-
ARRA – Race to the Top	2011	84.395A	78,112	-	82,940	-
Education Jobs Fund	2011	84.410	954,787	-	954,787	-
Foreign Language Assistance Program	2011	84.293B	79,361	-	69,343	-
Total U.S. Department of Education			10,808,152	-	11,133,330	-
U.S. Department of Health and Human Services:						
Passed-Through Ohio Department of Mental Retardation and Developmental Disabilities:						
Medicaid Assistance Program (CAFS)	2011	93.778	173,693	-	-	-
Total Expenditures of Federal Awards			\$ 12,712,821	\$ 113,596	\$ 12,864,306	\$ 113,596

The accompanying notes are an integral part of this schedule.

Cleveland Heights – University Heights City School District

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2011

Note 1: Significant Accounting Policies

Basis of Presentation

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

Child Nutrition Cluster

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

Food Donation Program

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

Medical Assistance Program (CAFS)

The District received a CAFS settlement in the amount of \$173,693 during the fiscal year. The amount of the settlement relates to CAFS services provided during prior years.

Cleveland Heights – University Heights City School District

Schedule of Findings
OMB Circular A-133 Section .505

For the Year Ended June 30, 2011

1. Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	Yes
(d)(1)(vii)	Major Programs	<ul style="list-style-type: none"> • Title I Cluster (CFDA # 84.010) (CFDA # 84.389) • Special Education Cluster (CFDA # 84.027) (CFDA # 84.173) (CFDA # 84.391) (CFDA # 84.392) • Education Technology State Grants (CFDA # 84.318) (CFDA # 84.386) • School Improvement Grant (CFDA # 84.388) • State Fiscal Stabilization Fund (CFDA # 84.394) • Education Jobs Fund (CFDA # 84.410)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	Yes

Cleveland Heights – University Heights City School District

Schedule of Findings
 OMB Circular A-133 Section .505

For the Year Ended June 30, 2011

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

Findings	Findings Summary
2011-1	<p data-bbox="305 552 815 583"><i>Financial Reporting – Material Weakness</i></p> <p data-bbox="305 615 1455 705">Sound financial reporting is the responsibility of the Treasurer and the Board of Education and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.</p> <p data-bbox="305 741 1455 806">The following audit adjustments were made to the financial statements, and where applicable, to the District’s accounting records:</p> <ol data-bbox="354 842 1455 1108" style="list-style-type: none"> 1. Increase food service revenue and cash for grant proceeds not originally recorded. 2. Decrease tuition revenue and cash in the General Fund for Bellefaire General Rotary Fund tuition improperly recorded to the general fund. 3. Increase tuition revenue and cash in the Bellefaire General Rotary Fund for tuition improperly recorded to the General Fund. 4. Decrease revenue and cash in the self-insurance fund to actual for improper recording of retirement. 5. Adjusted net assets for a change in capital assets being recorded. <p data-bbox="305 1142 1455 1232">The lack of controls over the posting of year-end financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data at year-end.</p> <p data-bbox="305 1266 1455 1451">We recommend the District adopts policies and procedures for controls over recording of year-end financial transactions and over financial report to help ensure the information accurately reflects the activity of the District and thereby increasing the reliability of the financial data at year-end. Although the District has contracted a third party to perform their GAAP Conversion, the District’s management needs to review the statements to be sure that all items are being properly recorded.</p> <p data-bbox="305 1484 1455 1549">Official’s Response: Management has contracted with a third party to maintain the capital asset listing.</p>

Cleveland Heights – University Heights City School District

Schedule of Findings
OMB Circular A-133 Section .505

For the Year Ended June 30, 2011

2011-2	<p><i>Bank Reconciliations – Significant Deficiency</i></p> <p>During our testing of bank reconciliations during the year, we noted that the District carried significant unreconciled differences throughout the year due to estimates used to allocate retirement from the funds that are required to record the retirement to the fund that pays the retirement. Due to the differences, the District did not discover that in January 2011, they failed to record \$270,336 in grant proceeds received from the Ohio Department of Education for the Nutrition Cluster. Reconciling cash is the most basic and important control instituted by management to assure the completeness and accuracy of cash transactions. We recommend that the Treasurer’s office should provide monthly bank reconciliations to the Board so they can be compared to the monthly cash reports and significant variances from the reconciled book to reconciled bank balances should be tracked and analyzed. By comparing the book balance on the monthly cash reconciliation to the cash balance on the monthly cash reports, the Board can verify the accuracy and completeness of the monthly cash reports.</p> <p>Official’s Response: Management will perform monthly bank reconciliations and further investigate any significant unreconciled differences.</p>
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3. Findings for Federal Awards

Findings	Findings Summary
2011-3	<p><i>Reporting – Noncompliance</i></p> <p>CFDA Title and Number <i>ARRA – Title I, CFDA 84.389</i> <i>ARRA – Special Education – Grants to States, CFDA 84.391</i> <i>ARRA – Special Education – Preschool Grants, CFDA 84.392</i> <i>ARRA – Education Technology State Grants, CFDA 84.386</i> <i>ARRA – School Improvement Grant, CFDA 84.388</i></p> <p>Federal Agency Department of Education Pass-Through Agency Ohio Department of Education</p> <p>During our testing of the Ohio Department of Education’s 1512 reporting requirements for subrecipients we noted that the District did not report for the eighth reporting period (June 30, 2011). In addition, it was noted that the District did not report all vendors to the Ohio Department of Education that had a single payment in excess of \$25,000 during the fiscal year.</p> <p>We recommend the District implement procedures to ensure that 1512 reports are submitted to the Ohio Department of Education by the required due dates.</p> <p>Official’s Response: The District has procedures in place to ensure that the 1512 reports are filed timely and accurately. The District will ensure the procedures are followed.</p>

Cleveland Heights – University Heights City School District

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

For the Year Ended June 30, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-01	Ohio Revised Code 5705.41(B) – The District had final expenditures plus encumbrances in excess of final appropriations plus prior year encumbrances.	Yes	Corrected – The District properly budgeted at June 30, 2011.
2010-2	The District paid 11 employees incorrectly during the year due to errors in mid-year salary adjustments.	Yes	Corrected – The District properly recorded the mid-year salary adjustments for the year ended June 30, 2011.

Independent Accountant's Report on Applying Agreed-Upon Procedures

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

To the Board of Education:

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

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

1. We noted the Board did not amend its anti-harassment policy to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

Ohio Revised Code Section 3313.666 required the Board to amend its definition by September 28, 2010.

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

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

Ciuni & Panichi, Inc.

Cleveland, Ohio
December 23, 2011



Dave Yost • Auditor of State

CLEVELAND HEIGHTS UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 27, 2012**