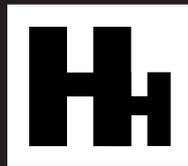




Cleveland Heights • University Heights
City School District
University Heights, Ohio



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2005



**Auditor of State
Betty Montgomery**

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

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, 2004 through June 30, 2005. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 4, 2006

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Introductory Section



ELI KAUFFMAN
Grade 3, Coventry Elementary School

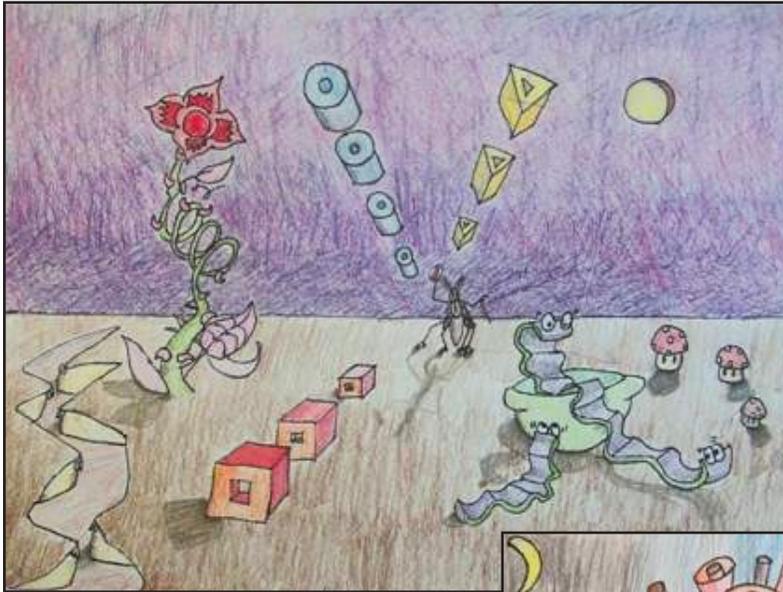


ABE MENDES
Grade 3, Coventry Elementary School



Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005

Issued by: Treasurer's Office, A. Scott Gainer, Treasurer



RACHELLE ADOGNRAVI
Grade 5, Canterbury Elementary School

KATIE PASTRICK
Grade 4, Canterbury Elementary School



Mission Statement

Our educational community supports an environment that frees the vision, creativity and energy of all its members allowing them to:

- Become academically literate in reading, computation, and oral and written communication.
- Promote self-control, self-discipline, and a sense of responsibility for one's actions.
- Assist students and staff in recognizing their strengths and setting realistic goals.
- Appreciate the multicultural ethnic, racial, and religious natures of our students, staff, and community.
- Treat with equity and dignity all who participate in the schools.
- Encourage family and community involvement in our schools and school involvement in our community.
- Explore career options that satisfy individual goals and help fulfill societal needs for productive citizens.
- Use accumulated knowledge, decision-making, and critical thinking skills to make reasoned judgements and wise decisions.



Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2005

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Cleveland Heights-University Heights City School District

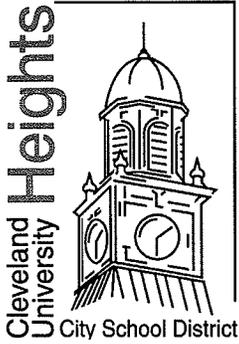
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Cleveland Heights-University Heights City School District

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A. Scott Gainer
Treasurer

November 22, 2005

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

Dear Board Members and Residents:

We are pleased to submit to you the Cleveland Heights-University Heights City School District's fifth Comprehensive Annual Financial Report (CAFR). This report is the District's official annual financial report for the fiscal year ended June 30, 2005. This report presents the School District's financial information in a comprehensive manner consistent with generally accepted accounting principles (GAAP) applicable to all governmental entities. Generally accepted accounting principles are uniform minimum standards and guidelines for financial accounting and reporting. These national standards provide a consistent and standard format for the reader to analyze and interpret the financial data presented. The Government Accounting Standards Board (GASB) is the authoritative body that prescribes and administers the guidelines and standards relative to financial reporting. This report also includes an unqualified opinion from Ciuni & Panichi, Inc. for the 2005 fiscal year.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and presents fairly the financial position of the District.

This report has been filed with the appropriate regulatory agencies as well as the major bond rating agencies and copies will be made available to the Cleveland Heights-University Heights Public Library, major taxpayers, and other interested parties.

This report is presented in the following three sections:

1. The Introductory Section contains a Table of Contents, Letter of Transmittal, Government Finance Officer's Association (GFOA) Certificate of Achievement, Association of School Business Officials (ASBO) Certificate of Excellence, List of Principal Officials, an Organizational Chart of the District, and a map of the District.
2. The Financial Section begins with the Report of the Independent Auditors and includes the Management's Discussion and Analysis and the Basic Financial Statements and Notes which provide an overview of the District's financial position and operating results, Combining Statements by fund type, and other schedules that provide detailed information relative to the Basic Financial Statements.

3. The Statistical Section presents social and economic data, financial trends, and the fiscal capacity of the Cleveland Heights-University Heights City School District.

State statute requires the District to undergo an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting budgetary controls. Ciuni & Panichi, Inc. was selected to render an opinion on the District's financial statements as of and for the fiscal year ended June 30, 2005. The auditor's unqualified opinion has been included in this report at the beginning of the financial section. Pursuant to State statute, the Auditor of State prescribes a uniform accounting system to standardize accounting classifications and financial reporting for all governments in Ohio. The District adopted and has been in conformance with that system beginning with its financial report for the 1979 fiscal year.

Profile of the School District

The Cleveland Heights-University Heights City School District is one of 612 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 6,451 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 O 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

Local Economy

The District serves approximately 55,000 residents of the City of Cleveland Heights and approximately 15,000 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 contributes to climbing property values, a key indicator of a community's economic health and stability where the primary "industry" is housing.

The vitality of the area is also demonstrated by the new construction in both cities. Several residential condominium and townhouse projects began and/or are being continued in the City of Cleveland Heights. In the City of University Heights, construction began on the Cedar Center project. State funding of schools, specifically for general operations, remains unclear for future years due to a series of Ohio Supreme Court decisions on the constitutionality of the present fund system. Additionally, the real property tax system in Ohio does not permit school districts to receive additional tax revenue solely as a result of reassessment or reappraisal. Consequently, the primary means of increasing revenue for the District is through additional operating tax levies. The District passed an 8.5 mill levy in March of 2004. The passage of this levy, in conjunction with \$6 million in permanent budget reductions approved by the Board of Education for the 2005 fiscal year, results in a positive cash balance through 2008 based on assumptions as documented in the District's 5-year forecast submitted to the Ohio Department of Education.

Relevant Financial Policies

Statutorily, the School 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.

The Reporting Entity

In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the 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 School 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 to the accompanying financial statements.

Financial Information

Internal Accounting and Budgetary Control

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 record 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 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.

Financial Condition

This is the third year the District has prepared financial statements following GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. GASB 34 creates basic financial statements for reporting on the District's financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses.

The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2005 and the outlook for the future. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter. The Management's Discussion and Analysis begins on page 3 of the Financial Section and should be read in conjunction with this report.

Financial Highlights - Internal Service Fund - The only internal service fund carried on the financial records of the District is 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 fund had net assets of \$1,282,639 at June 30, 2005 compared with net assets of \$1,457,138 at June 30, 2004. The District is meeting its claim liability.

Cash Management

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 U.S. Treasury Notes, authorized Federal agency securities, bankers' acceptances, 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 2005, the District earned \$462,659 in interest income of which \$319,579 was credited to the general fund.

The District's deposits are protected by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institutions holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent for the funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third-party trustees of the financial institution.

Risk Management

The District strives to provide itself with superior coverage at the lowest possible cost to the taxpayers. The District manages the prescription drug benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. Because the maximum payment per participant is limited, no individual or aggregate stop-losses are necessary.

Prior to 1996, the District participated in the State Workers' Compensation retrospective rating and payment system. The plan involved the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for the employees injured. During 1996, the District switched to the premium rating coverage provided by the State. This coverage is based on a rate per \$100 of salaries. Additional information of retrospective liability can be found in Note 11 to the financial statements.

The District contracts for general liability insurance with several companies. The limits of coverage are \$1,000,000 per occurrence and \$5,000,000 aggregate.

Major Initiatives

The District completed implementation of the Ohio High School Transformation Initiative, which transformed Heights High - a high school serving some 2,000 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 high 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. \$2 million was received by the District to implement this initiative from the Bill and Melinda Gates Foundation through the Knowledgeworks Foundation.

The Board and administration continue to be committed to ongoing fiscal responsibility and accountability. In addition to the \$6 million in permanent budget reductions effective for the 2004-2005 school year, the District examined, and continues to review, the configuration and facility needs of our 8 elementary schools in an effort to be both efficient and effective.

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, 2004. This was the fourth 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, 2004. 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.

Acknowledgments

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
Treasurer



Deborah Delisle
Superintendent

GFOA Certificate of Achievement for 2005

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, 2004

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.



Nancy L. Zjelke

President

Jeffrey R. Emery

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, 2004

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

Principal Officials

June 30, 2005

BOARD OF EDUCATION

Mr. Ronald Register, *President*

Ms. Wendy Leatherberry, *Vice-President*

Mr. Mark Phillips, *Member*

Ms. Barbara Hodgkiss, *Member*

Mrs. Bernice Jefferis, *Member*

TREASURER

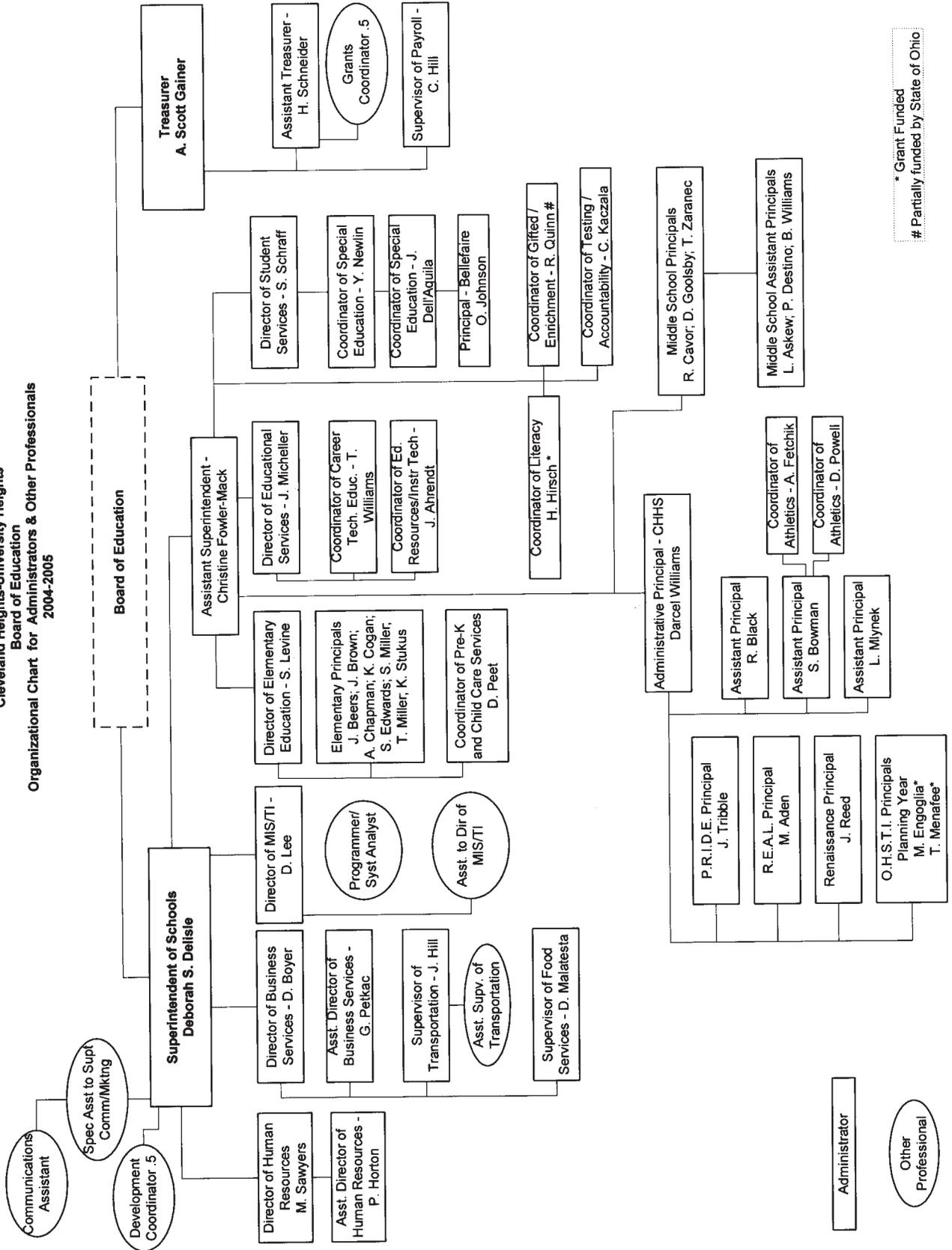
Mr. A. Scott Gainer

SUPERINTENDENT

Mrs. Deborah Delisle



**Cleveland Heights-University Heights
Board of Education
Organizational Chart for Administrators & Other Professionals
2004-2005**



* Grant Funded
Partially funded by State of Ohio



NINA YAO
Grade 1, Roxboro Elementary School

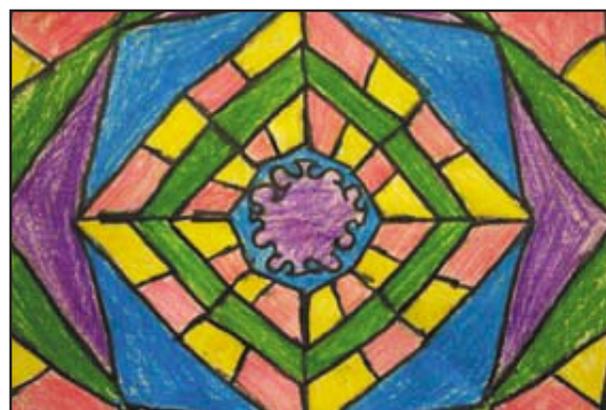


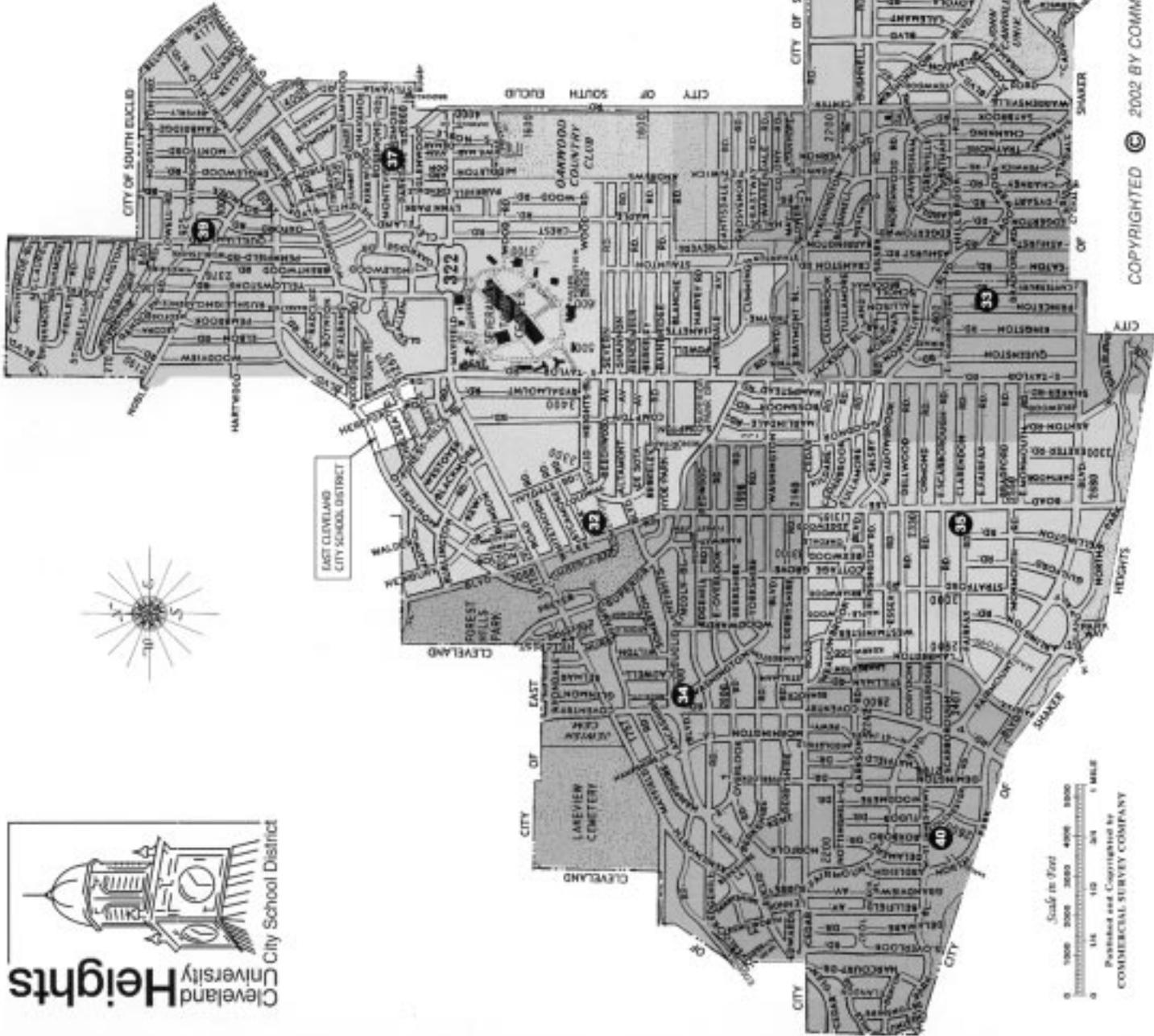
CHRIS TAYLOR
Grade 4, Fairfax Elementary School



JAMES HOCKEY
Grade 4, Noble Elementary School

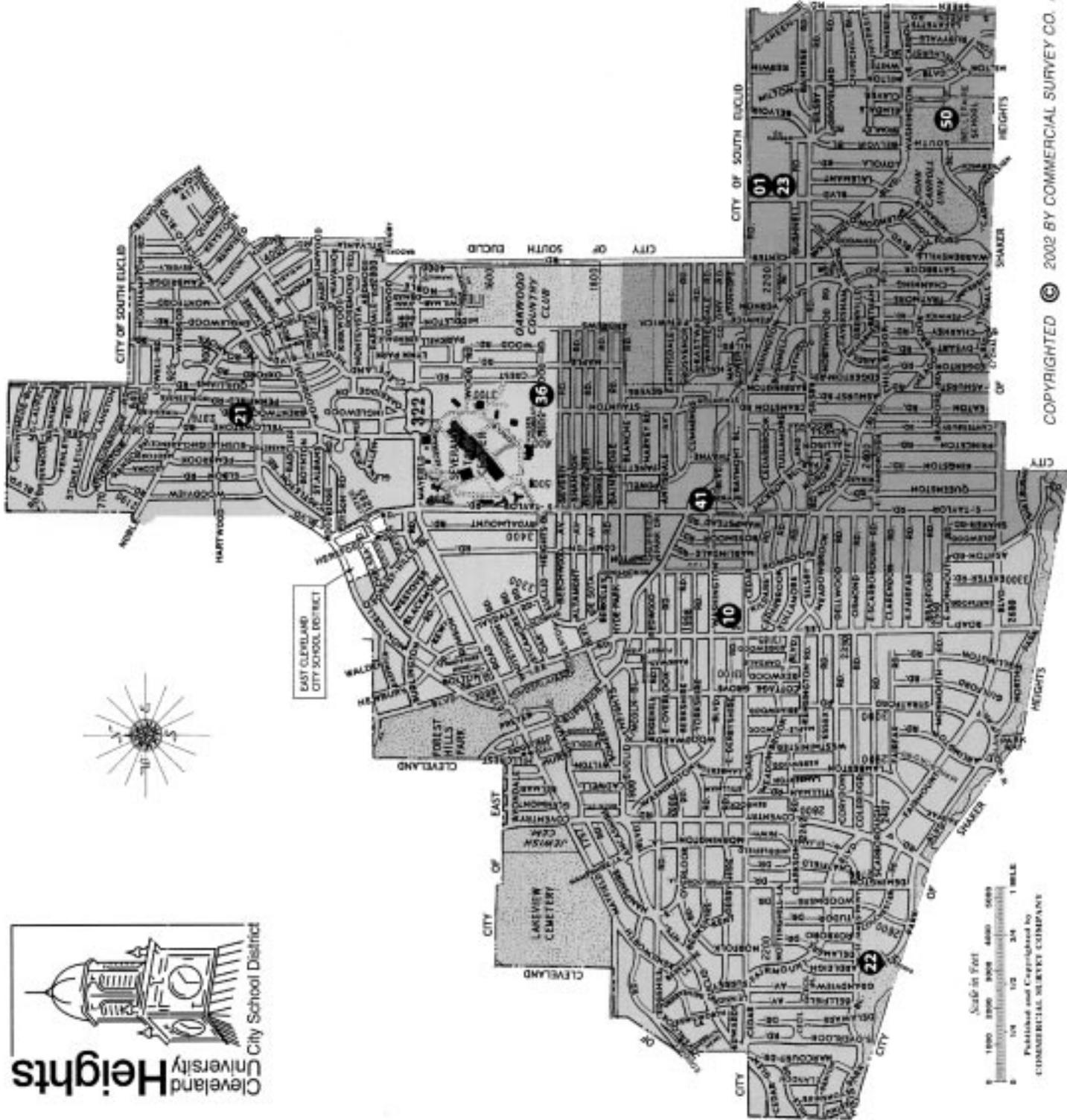
SELANA MOSLEY
Grade 4, Gearity Elementary School





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
- 34** Coventry Elementary School
2843 Washington Boulevard
Cleveland Hts., OH 44118-2012
216-371-7110
- 35** Fairfax Elementary School
3150 Fairfax Road
Cleveland Hts., OH 44118-4097
216-371-7480
- 31** Lauree P. Gearity Elementary School
2323 Wrenford Road
University Hts., OH 44118-3998
216-371-6515
- 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



Financial Section



ERIN CUMMING
Grade 5, Fairfax Elementary School



JULIA HORTER
Grade 2, Fairfax Elementary School



Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights – University Heights City School District, (“the District”) as of and for the year ended June 30, 2005, 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 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 Cleveland Heights – University Heights City School District, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2005, the District implemented Governmental Accounting Statement No. 40, “Deposit and Investment Risk Disclosures” and Government Accounting Standards Board Technical Bulletin No. 2004-2, “Recognition of Pension and Other Post Employment Benefit Expenditures/Expense and Liability by Cost-Sharing Employers”.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2005, 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 conjunction with this report in considering the results of our audit.

Board of Education
Cleveland Heights – University Heights City School District

The management's discussion and analysis 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 statistical tables 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 has 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 section and statistical tables 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
November 22, 2005

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2005

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, 2005. 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 2005 are as follows:

In total, net assets increased \$15,249,371 which is an improvement in the District's financial position. Net assets of governmental activities increased \$15,419,679, which represents a 39.89% increase from 2004. Net assets of business-type activities decreased \$170,308 or 146.33% from 2004.

General revenues accounted for \$97,838,401 in revenue or 82.47% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$20,790,665 or 17.53% of total revenues of \$118,629,066.

The District had \$97,591,636 in expenses related to governmental activities; only \$17,265,881 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 \$95,745,434 were able to provide for these programs resulting in an increase to net assets from \$38,667,255 to \$54,086,934.

The School District had \$5,788,059 in expenses related to business-type activities; a total of \$3,524,784 was offset by program specific charges for services, grants and contributions. Total revenues were not adequate to provide for these programs by \$170,308 resulting in a decrease to net assets from (\$11,638) to (\$181,946).

The School District's major governmental funds were the general fund, debt service fund and permanent improvement fund. The general fund had \$95,526,806 in revenues and other financing sources and \$80,024,949 in expenditures and other financing uses. The general fund balance increased \$15,501,857 from \$15,939,998, restated, to \$31,441,855. The debt service fund had \$1,641,918 in revenues and other financing sources and \$1,506,144 in expenditures. The debt service fund balance increased \$135,774 from \$258,667 to \$394,441. The permanent improvement fund had \$4,524,190 in revenues and other financing sources and \$8,376,074 in expenditures and other financing uses. The permanent improvement fund balance decreased \$3,851,884 from \$10,738,566, restated to \$6,886,682.

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)

For the Fiscal Year Ended June 30, 2005

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

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 16 and provide detailed information about the major governmental funds and non-major governmental funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements. The District's major governmental funds are the general fund, debt service fund and the permanent improvement capital projects 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)

For the Fiscal Year Ended June 30, 2005

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 entity-wide statements; therefore the statements will essentially match the business-type activities portion of the entity-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 27. 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 2005 and 2004.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2005

	Net Assets			
	Governmental Activities	Business-Type Activities	Restated Governmental Activities	Restated Business-Type Activities
	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>
Assets:				
Current assets	\$ 111,381,034	\$ (381,957)	\$ 97,099,052	\$ (187,356)
Capital assets	<u>30,699,754</u>	<u>787,690</u>	<u>27,175,348</u>	<u>821,275</u>
Total assets	<u>142,080,788</u>	<u>405,733</u>	<u>124,274,400</u>	<u>633,919</u>
Liabilities:				
Current liabilities	59,688,394	294,163	57,534,555	423,891
Long-term liabilities	<u>28,305,460</u>	<u>293,516</u>	<u>28,072,590</u>	<u>221,666</u>
Total liabilities	<u>87,993,854</u>	<u>587,679</u>	<u>85,607,145</u>	<u>645,557</u>
Net assets				
Invested in capital assets, net of debt	23,498,247	787,690	20,600,881	821,275
Restricted	9,036,927	-	6,326,894	-
Unrestricted (deficit)	<u>21,551,760</u>	<u>(969,636)</u>	<u>11,739,480</u>	<u>(832,913)</u>
Total net assets (deficit)	<u>\$ 54,086,934</u>	<u>\$ (181,946)</u>	<u>\$ 38,667,255</u>	<u>\$ (11,638)</u>

Total assets increased by \$17,578,202. Cash increased by \$5,109,612. Last year's cash balance of \$19,042,360, restated, included restricted assets of \$2,917,946. This year's cash balance of \$24,151,972 includes restricted assets of \$3,020,809. Increase in cash is mainly due to management's efforts to reduce expenditures. Taxes receivable totaled \$75,568,635, of which \$53,905,071 is offset as deferred revenue, which is to be used in future periods. Taxes receivable increased from 2004 due to an increase in property taxes. Total capital assets increased by \$3,643,274. Unrestricted net assets of the District, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, increased by \$9,675,557. Overall, the financial position of the District increased positively over 2004.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2005

	Changes in Net Assets			
	Governmental Activities	Business-Type Activities	Restated Governmental Activities	Restated Business-Type Activities
	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>
Revenues:				
Program revenues:				
Charges for services	\$ 3,787,173	\$ 3,305,946	\$ 5,381,228	\$ 4,997,020
Operating grants	13,429,958	218,838	8,941,134	1,822,095
Capital grants	48,750	-	56,931	-
Total program revenues	<u>17,265,881</u>	<u>3,524,784</u>	<u>14,379,293</u>	<u>6,819,115</u>
General revenues:				
Property taxes	64,308,165	-	62,188,992	-
Grants and entitlements	30,581,825	2,092,967	21,819,121	-
Investment earnings	462,659	-	587,741	-
Miscellaneous	392,785	-	-	-
Total general revenues	<u>95,745,434</u>	<u>2,092,967</u>	<u>84,595,854</u>	<u>-</u>
Transfers	-	-	(267,455)	267,455
Total general revenues and transfers	<u>95,745,434</u>	<u>2,092,967</u>	<u>84,328,399</u>	<u>267,455</u>
Total revenues	<u>113,011,315</u>	<u>5,617,751</u>	<u>98,707,692</u>	<u>7,086,570</u>
Program expenses:				
Instruction:				
Regular education	37,821,356	-	36,417,770	-
Special education	8,555,472	-	7,890,280	-
Vocational education	1,761,548	-	1,774,417	-
Adult/continuing education	257,212	-	238,686	-
Other	2,053,694	-	2,664,644	-
Support services:				
Pupil	9,482,769	-	9,177,483	-
Instructional staff	4,955,130	-	5,524,342	-
Board of education	620,020	-	579,903	-
Administration	6,178,788	-	5,999,231	-
Fiscal	1,990,102	-	1,554,698	-
Business	2,320,386	-	2,687,483	-
Operation and maintenance - plant	11,949,256	-	8,631,086	-
Pupil transportation	3,055,811	-	3,192,244	-
Central	2,767,128	-	2,641,862	-
Operations of non-instructional services	2,038,093	-	1,835,912	-
Extracurricular activities	1,195,101	-	1,108,523	-
Interest and fiscal charges	589,770	-	732,788	-
Food service	-	2,275,179	-	2,410,538
Uniform school supplies	-	86,629	-	70,813
Customer services	-	19,536	-	33,077
Community services/early childhood	-	791,388	-	1,465,300
Bellefaire general rotary	-	2,615,327	-	2,911,252
Total program expenses	<u>97,591,636</u>	<u>5,788,059</u>	<u>92,651,352</u>	<u>6,890,980</u>
Change in net assets	<u>\$ 15,419,679</u>	<u>\$ (170,308)</u>	<u>\$ 6,056,340</u>	<u>\$ 195,590</u>

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2005

Governmental Activities

The District passed an 8.5 mill levy in March 2004. Additionally, to address lost collections due to prior levy failures, the District cut \$6 million from the budget for the 2004-2005 fiscal year. Among governmental funds, this had the most significant impact on net assets of governmental activities.

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 57 percent of revenues for governmental activities for the District in fiscal year 2005.

Instruction comprises 51.7 percent of governmental program expenses. Interest expense was 0.6 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

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 2005 and 2004. 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</u>	<u>Net Cost of</u>	<u>Restated</u>	<u>Restated</u>
	<u>Services 2005</u>	<u>Services 2005</u>	<u>Total Cost of</u>	<u>Net Cost of</u>
			<u>Services 2004</u>	<u>Services 2004</u>
Program expenses:				
Instruction	\$ 50,449,282	\$ (37,924,442)	\$ 48,985,797	\$ (37,526,913)
Support services:				
Pupil and instructional staff	14,437,899	(14,275,121)	14,701,825	(14,099,739)
Board of education, administration, fiscal and business	11,109,296	(11,091,790)	10,821,315	(10,821,315)
Operation and maintenance - plant	11,949,256	(11,949,256)	8,631,086	(8,631,086)
Pupil transportation	3,055,811	(3,004,496)	3,192,244	(3,066,245)
Central services	2,767,128	(2,745,376)	2,641,862	(2,641,862)
Operation of non-instructional services	2,038,093	2,092,132	1,835,912	(61,601)
Extracurricular activities	1,195,101	(837,636)	1,108,523	(690,510)
Interest and fiscal charges	<u>589,770</u>	<u>(589,770)</u>	<u>732,788</u>	<u>(732,788)</u>
Total program expenses	\$ <u>97,591,636</u>	\$ <u>(80,325,755)</u>	\$ <u>92,651,352</u>	\$ <u>(78,272,059)</u>

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2005

The dependence upon tax revenues during fiscal year 2005 for governmental activities is apparent.

Business-Type Activities

Business-type activities include food service operation, uniform supplies, adult education, rotary and recreation. These programs had revenues of \$3,524,784 and expenses of \$5,788,059 for fiscal year 2005. The Bellefaire general rotary fund had expenses of \$2,615,327 and revenues of \$2,481,758. This resulted in a decrease of net assets for the fiscal year of \$133,569. The other enterprise funds had expenses of \$3,172,732 and revenues of \$3,135,993. This resulted in a decrease to net assets for the fiscal year of \$36,739. Management assesses the performance of each of these funds to ensure that they are run efficiently.

The School District's Funds

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 2005, the District amended its general fund budget to reflect the increase in expected revenues due to increased tax and intergovernmental revenues. The District uses a modified site-based budgeting technique which is designed to tightly control site budgets but provide flexibility for site management.

General Fund

The District's general fund balance increased by \$15,501,857, due to an increase in intergovernmental, other revenue and property tax receipts during 2005. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

<u>Revenues</u>	<u>2005 Amount</u>	<u>2004 Amount</u>	<u>Percentage Change</u>
Taxes	\$ 60,961,764	\$ 55,991,579	8.88%
Interest earnings	319,579	148,376	115.38
Intergovernmental	30,782,689	26,949,488	14.22
Other revenue	<u>3,462,774</u>	<u>1,009,664</u>	242.96
Total	\$ <u>95,526,806</u>	\$ <u>84,099,107</u>	

The property tax revenue increased \$4,970,185 due to the rate increase on utility personal property within fiscal year 2005.

Intergovernmental revenue increased \$3,833,201 or 14.22% from the prior year. This increase is attributed to an increase in the number of grants and utility personal property tax replacement funds the District received in 2005. The increase in investment income is due to the significant increase in the district's cash flow throughout the year.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2005

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

<u>Expenditures by Function</u>	<u>2005 Amount</u>	<u>Restated 2004 Amount</u>	<u>Percentage Change</u>
Instruction	\$ 43,394,530	\$ 44,618,543	(2.74)%
Support services	35,183,245	37,386,315	(5.89)
Community services	21,912	79,450	(72.42)
Extracurricular activities	950,712	795,371	19.53
Other expenditures	<u>474,550</u>	<u>1,263,402</u>	(62.44)
Total	\$ <u>80,024,949</u>	\$ <u>84,143,081</u>	

The most significant percentage change was in the area of community services which decreased 72.42 percent. This decrease is due primarily to management's efforts to reduce expenditures for the overall entity. Other expenditures also decreased 62.44 percent due to management's efforts to reduce expenditures.

General Fund Budget Information

The District's general fund budget was prepared and approved at the fund level for fiscal year 2005. During the course of fiscal 2005, the total budget was changed several times. For the general fund, final budgeted revenues and other financing sources were \$91,227,772. Actual revenues and other financing sources for fiscal year 2005 were \$91,227,772. Actual revenues and other financing sources were equal to budgeted revenues.

General fund original appropriations of \$85,681,390 increased to \$85,967,474 in the final budget. The actual expenditures and other financing uses for fiscal year 2005 totaled \$82,964,014, which was \$3,003,460 less than the final budget appropriations.

Debt Service Fund

The District's debt service fund balance increased by \$135,774, due to an increase in intergovernmental revenues during 2005.

The District's debt service fund budget was prepared and approved at the fund level for fiscal year 2005. During the course of fiscal 2005, the total budget was changed several times. For the debt service fund, final budgeted revenues and other financing sources were \$1,619,062. Actual revenues and other financing sources for fiscal year 2005 were \$1,619,062. Actual revenues and other financing sources were equal to budgeted revenues. Debt service fund original appropriations of \$1,530,000 remained the same in the final budget. The actual expenditures for fiscal year 2005 totaled \$1,506,144, which was \$23,856 less than the final budget appropriations.

Permanent Improvement Fund

The District's permanent improvement fund balance decreased by \$3,851,884. Decrease mainly due to bond proceeds received in the prior year.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2005

The District's permanent improvement fund budget was prepared and approved at the fund level for fiscal year 2005. During the course of fiscal 2005, the total budget was changed several times. For the permanent improvement fund, final budgeted revenues were \$3,736,118. Actual revenues for fiscal year 2005 were \$3,736,118. Actual revenues and other financing sources were equal to budgeted revenues. Permanent improvement fund original appropriations of \$9,851,220 increased to \$11,201,069 in the final budget. The actual expenditures and financing uses for fiscal year 2005 totaled \$7,954,047, which was \$3,247,022 less than the final budget appropriations.

Capital Assets

The District had \$24,285,937 invested in capital assets net of depreciation, with \$23,498,247 attributed to government activities. Acquisition for government activities totaled \$9,130,589 and depreciation was \$933,550. The majority of the additions were represented by acquisition of building improvements. Detailed information regarding capital asset activities is included in the notes to the financial statement (Note 10).

Debt

At June 30, 2005, the District had \$20,124,990 in an outstanding long-term bond debt and of this amount \$930,000 was due within one year. The District paid \$910,000 in principal on bonds outstanding. The district had capital leases of \$1,141,507 outstanding at June 30, 2005, with \$627,330 due within one year. The district paid \$637,819 on capital leases outstanding. Detailed information regarding long-term debt activity, capital lease obligations and notes payable activity is included in the notes to the basic financial statements (Notes 15 and 16, respectively).

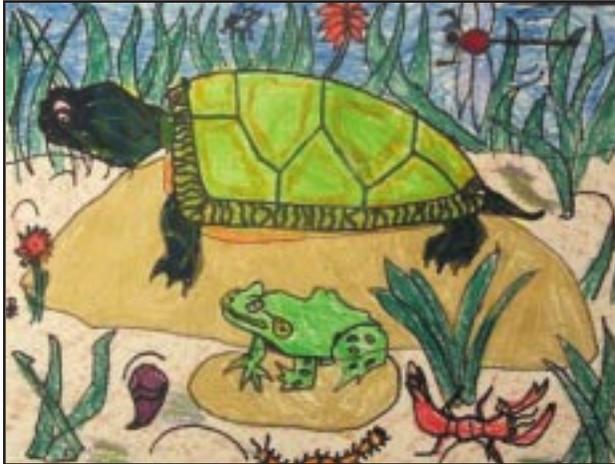
Economic Factors

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. 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.

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.

Basic Financial Statements



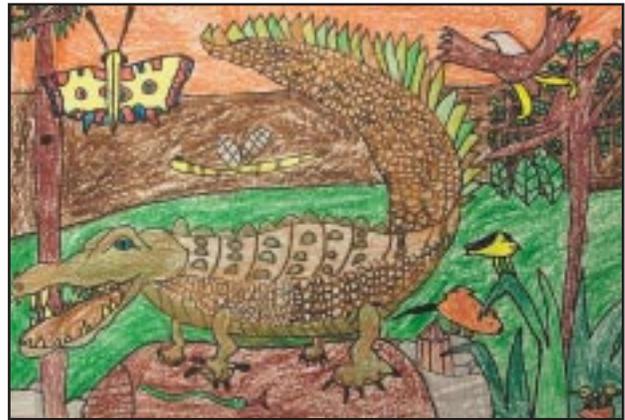
HANNAH SMITH
Grade 1, Canterbury Elementary School



DIONNA SORRELLS
Grade 1, Noble Elementary School



LAUREN CASSADY
Grade 3, Noble Elementary School



AVA PRITTS
Grade 2, Canterbury Elementary School



Cleveland Heights-University Heights City School District

Statement of Net Assets

June 30, 2005

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and cash equivalents	\$ 19,793,668	\$ 1,211,181	\$ 21,004,849
Accounts receivable	344,372	24,627	368,999
Intergovernmental receivable	6,990,167	3,703,060	10,693,227
Internal balances	5,339,020	(5,339,020)	-
Materials and supplies inventory	324,363	2,902	327,265
Inventory held for resale	-	15,293	15,293
Taxes receivable	75,568,635	-	75,568,635
Restricted cash and cash equivalents	3,020,809	-	3,020,809
Nondepreciable capital assets	3,099,229	-	3,099,229
Depreciable capital assets, net	<u>27,600,525</u>	<u>787,690</u>	<u>28,388,215</u>
Total assets	<u>142,080,788</u>	<u>405,733</u>	<u>142,486,521</u>
Liabilities:			
Accounts payable	854,214	9,488	863,702
Accrued wages and benefits	1,495,584	78,197	1,573,781
Intergovernmental payable	3,243,812	206,478	3,450,290
Deferred revenue	53,905,071	-	53,905,071
Claims payable	140,700	-	140,700
Accrued interest payable	49,013	-	49,013
Long-term liabilities:			
Due within one year	2,724,357	20,546	2,744,903
Due in more than one year	<u>25,581,103</u>	<u>272,970</u>	<u>25,854,073</u>
Total liabilities	<u>87,993,854</u>	<u>587,679</u>	<u>88,581,533</u>
Net assets:			
Invested in capital assets, net of related debt	23,498,247	787,690	24,285,937
Restricted for:			
Capital projects	3,865,873	-	3,865,873
Other purposes	2,150,245	-	2,150,245
Qualified zone academy bond retirement	3,020,809	-	3,020,809
Unreserved (deficit)	<u>21,551,760</u>	<u>(969,636)</u>	<u>20,582,124</u>
Total net assets (deficit)	\$ <u>54,086,934</u>	\$ <u>(181,946)</u>	\$ <u>53,904,988</u>

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

Cleveland Heights-University Heights City School District

Statement of Activities

For The Fiscal Year Ended June 30, 2005

	<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	\$ 37,821,356	\$ 984,055	\$ 3,050,460	\$ 48,750
Special	8,555,472	-	5,515,582	-
Vocational	1,761,548	63,695	2,860,034	-
Adult/continuing	257,212	-	-	-
Other	2,053,694	-	2,264	-
Support services:				
Pupil	9,482,769	421	162,357	-
Instructional staff	4,955,130	-	-	-
Board of education	620,020	-	-	-
Administration	6,178,788	17,506	-	-
Fiscal	1,990,102	-	-	-
Business	2,320,386	-	-	-
Operations and maintenance of plant	11,949,256	-	-	-
Pupil transportation	3,055,811	51,315	-	-
Central	2,767,128	-	21,752	-
Operation of non-instructional services:				
Community services	2,038,093	2,312,716	1,817,509	-
Extracurricular activities	1,195,101	357,465	-	-
Interest and fiscal charges	589,770	-	-	-
Total governmental activities	<u>97,591,636</u>	<u>3,787,173</u>	<u>13,429,958</u>	<u>48,750</u>
Business-type activities:				
Food service	2,275,179	545,521	218,838	-
Uniform school supplies	86,629	73,630	-	-
Customer services	19,536	20,032	-	-
Community services/early childhood	791,388	890,313	-	-
Bellefaire general rotary	<u>2,615,327</u>	<u>1,776,450</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>5,788,059</u>	<u>3,305,946</u>	<u>218,838</u>	<u>-</u>
Totals	\$ <u>103,379,695</u>	\$ <u>7,093,119</u>	\$ <u>13,648,796</u>	\$ <u>48,750</u>

General revenues:

Property taxes levies for:

General purpose

Debt service

Capital projects

Grant and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets (deficit) at beginning of year, restated

Net assets (deficit) at end of year

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

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
\$ (33,738,091)	\$ -	\$ (33,738,091)
(3,039,890)	-	(3,039,890)
1,162,181	-	1,162,181
(257,212)	-	(257,212)
(2,051,430)	-	(2,051,430)
(9,319,991)	-	(9,319,991)
(4,955,130)	-	(4,955,130)
(620,020)	-	(620,020)
(6,161,282)	-	(6,161,282)
(1,990,102)	-	(1,990,102)
(2,320,386)	-	(2,320,386)
(11,949,256)	-	(11,949,256)
(3,004,496)	-	(3,004,496)
(2,745,376)	-	(2,745,376)
2,092,132	-	2,092,132
(837,636)	-	(837,636)
(589,770)	-	(589,770)
<u>(80,325,755)</u>	<u>-</u>	<u>(80,325,755)</u>
-	(1,510,820)	(1,510,820)
-	(12,999)	(12,999)
-	496	496
-	98,925	98,925
-	(838,877)	(838,877)
<u>-</u>	<u>(2,263,275)</u>	<u>(2,263,275)</u>
<u>(80,325,755)</u>	<u>(2,263,275)</u>	<u>(82,589,030)</u>
60,310,034	-	60,310,034
929,117	-	929,117
3,069,014	-	3,069,014
30,581,825	2,092,967	32,674,792
462,659	-	462,659
<u>392,785</u>	<u>-</u>	<u>392,785</u>
<u>95,745,434</u>	<u>2,092,967</u>	<u>97,838,401</u>
15,419,679	(170,308)	15,249,371
<u>38,667,255</u>	<u>(11,638)</u>	<u>38,655,617</u>
\$ <u>54,086,934</u>	\$ <u>(181,946)</u>	\$ <u>53,904,988</u>

Cleveland Heights-University Heights City School District

Balance Sheet - Governmental Funds

June 30, 2005

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 12,820,981	\$ 210,334	\$ 3,452,707	\$ 1,882,054	\$ 18,366,076
Taxes receivable	70,981,553	716,087	3,870,995	-	75,568,635
Accounts receivable	51,711	-	-	292,661	344,372
Intergovernmental receivable	2,408,353	-	-	4,581,814	6,990,167
Interfund receivable	5,894,810	-	-	-	5,894,810
Materials and supplies inventory	324,363	-	-	-	324,363
Restricted cash and cash equivalents	-	-	3,020,809	-	3,020,809
Total assets	<u>\$ 92,481,771</u>	<u>\$ 926,421</u>	<u>\$ 10,344,511</u>	<u>\$ 6,756,529</u>	<u>\$ 110,509,232</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 199,304	\$ -	\$ 454,375	\$ 200,535	\$ 854,214
Accrued wages and benefits	1,403,520	-	-	89,482	1,493,002
Interfund payable	-	-	-	555,790	555,790
Intergovernmental payable	3,011,974	-	-	230,167	3,242,141
Deferred revenue	<u>56,425,118</u>	<u>531,980</u>	<u>3,003,454</u>	<u>3,640,444</u>	<u>63,600,996</u>
Total liabilities	<u>61,039,916</u>	<u>531,980</u>	<u>3,457,829</u>	<u>4,716,418</u>	<u>69,746,143</u>
Fund balances:					
Reserve for encumbrances	2,584,510	-	5,820,769	777,807	9,183,086
Reserve for inventory	324,363	-	-	-	324,363
Reserve for property taxes	14,512,769	182,953	861,278	-	15,557,000
Unreserved, undesignated, reported in:					
General fund	14,020,213	-	-	-	14,020,213
Special revenues funds	-	-	-	1,201,271	1,201,271
Debt service fund	-	211,488	-	-	211,488
Capital projects funds	<u>-</u>	<u>-</u>	<u>204,635</u>	<u>61,033</u>	<u>265,668</u>
Total fund balances	<u>31,441,855</u>	<u>394,441</u>	<u>6,886,682</u>	<u>2,040,111</u>	<u>40,763,089</u>
Total liabilities and fund balances	<u>\$ 92,481,771</u>	<u>\$ 926,421</u>	<u>\$ 10,344,511</u>	<u>\$ 6,756,529</u>	<u>\$ 110,509,232</u>

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

Cleveland Heights-University Heights City School District

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

June 30, 2005

Total Governmental Funds Balances \$ 40,763,089

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. 30,699,754

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

Taxes	\$ 5,892,980	
Intergovernmental	162,501	
Tuition	<u>3,640,444</u>	
Total		9,695,925

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. 1,282,639

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

General obligation debt	(5,840,000)	
Notes payable	(8,784,990)	
Qualified zone academy bonds	(5,500,000)	
Capital leases	(1,141,507)	
Compensated absences	(7,038,963)	
Accrued interest payable	<u>(49,013)</u>	
Total		<u>(28,354,473)</u>

Net assets of governmental activities \$ 54,086,934

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2005

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 60,961,764	\$ 717,497	\$ 3,446,221	\$ -	\$ 65,125,482
Intergovernmental	30,782,689	76,068	397,614	9,074,478	40,330,849
Tuition and fees	3,000,244	-	-	-	3,000,244
Transportation fees	51,315	-	-	-	51,315
Earnings on investments	319,579	-	102,863	40,217	462,659
Extracurricular activities	-	-	-	357,465	357,465
Classroom materials and fees	421	-	-	23,913	24,334
Miscellaneous	<u>393,695</u>	<u>-</u>	<u>-</u>	<u>1,470,376</u>	<u>1,864,071</u>
Total revenues	<u>95,509,707</u>	<u>793,565</u>	<u>3,946,698</u>	<u>10,966,449</u>	<u>111,216,419</u>
Expenditures:					
Current:					
Instruction:					
Regular	32,660,426	-	-	1,144,053	33,804,479
Special	7,178,701	-	-	1,287,287	8,465,988
Vocational	1,486,169	-	-	231,072	1,717,241
Adult/continuing	15,540	-	-	240,559	256,099
Other	2,053,694	-	-	-	2,053,694
Support services:					
Pupil	6,922,999	-	-	2,475,699	9,398,698
Instructional staff	3,772,199	-	-	1,013,954	4,786,153
Board of education	620,020	-	-	-	620,020
Administration	5,329,972	-	-	671,467	6,001,439
Fiscal	1,982,278	-	-	-	1,982,278
Business	2,293,607	-	-	384	2,293,991
Operations and maintenance					
of plant	9,024,787	-	7,696,721	52,320	16,773,828
Pupil transportation	2,839,440	-	-	33,324	2,872,764
Central	2,397,943	-	-	328,124	2,726,067
Operation of non-instructional services:					
Community services	95,401	-	-	1,931,039	2,026,440
Extracurricular activities	950,712	-	-	251,380	1,202,092
Debt service:					
Principal	-	910,000	-	-	910,000
Interest and fiscal charges	<u>-</u>	<u>596,144</u>	<u>-</u>	<u>-</u>	<u>596,144</u>
Total expenditures	<u>79,623,888</u>	<u>1,506,144</u>	<u>7,696,721</u>	<u>9,660,662</u>	<u>98,487,415</u>
Excess of revenues over (under) expenditures	<u>15,885,819</u>	<u>(712,579)</u>	<u>(3,750,023)</u>	<u>1,305,787</u>	<u>12,729,004</u>

Continued

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2005

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):					
Proceeds from inception of capital lease	-	-	577,492	-	577,492
Transfers - in	17,099	848,353	-	567,154	1,432,606
Transfers - out	<u>(401,061)</u>	<u>-</u>	<u>(679,353)</u>	<u>(352,192)</u>	<u>(1,432,606)</u>
Total other financing sources (uses)	<u>(383,962)</u>	<u>848,353</u>	<u>(101,861)</u>	<u>214,962</u>	<u>577,492</u>
Net change in fund balance	15,501,857	135,774	(3,851,884)	1,520,749	13,306,496
Fund balance at beginning of year, restated	<u>15,939,998</u>	<u>258,667</u>	<u>10,738,566</u>	<u>519,362</u>	<u>27,456,593</u>
Fund balance at end of year	\$ <u>31,441,855</u>	\$ <u>394,441</u>	\$ <u>6,886,682</u>	\$ <u>2,040,111</u>	\$ <u>40,763,089</u>

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2005

Net Change in Fund Balances - Total Governmental Funds \$ 13,306,496

Amounts Reported for Governmental Activities in the Statement of Activities are different because:

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

Capital outlay	\$ 4,457,956	
Depreciation	<u>(933,550)</u>	
Total		3,524,406

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	(817,317)	
Intergovernmental	(1,110,745)	
Tuition	<u>1,424,465</u>	
Total		(503,597)

Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to the proceeds from the inception of a capital lease. (577,492)

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 1,547,819

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. (174,499)

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.

Compensated absences	(1,709,828)	
Accrued interest	<u>6,374</u>	
Total		<u>(1,703,454)</u>

Change in Net Assets of Governmental Activities \$ 15,419,679

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 55,377,000	\$ 57,165,539	\$ 57,165,539	\$ -
Intergovernmental	27,791,000	30,509,146	30,509,146	-
Tuition and fees	1,572,500	1,034,325	1,034,325	-
Transportation fees	75,000	63,252	63,252	-
Earnings on investments	250,000	338,036	338,036	-
Classroom materials and fees	-	421	421	-
Miscellaneous	103,000	395,766	395,766	-
Total revenues	<u>85,168,500</u>	<u>89,506,485</u>	<u>89,506,485</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	32,528,542	32,533,256	33,583,646	(1,050,390)
Special	7,372,375	7,384,657	7,277,091	107,566
Vocational	1,540,260	1,546,589	1,536,528	10,061
Adult/continuing	-	-	12,885	(12,885)
Other	2,799,917	2,865,029	2,140,136	724,893
Total instruction	<u>44,241,094</u>	<u>44,329,531</u>	<u>44,550,286</u>	<u>(220,755)</u>
Support services:				
Pupil	7,127,435	7,139,935	7,213,243	(73,308)
Instructional staff	4,649,866	4,766,097	3,950,684	815,413
Board of education	955,415	955,415	621,578	333,837
Administration	5,174,191	5,273,474	5,454,544	(181,070)
Fiscal	2,039,493	2,093,343	1,942,011	151,332
Business	2,762,729	2,762,729	2,332,000	430,729
Operations and maintenance of plant and maintenance	10,922,351	10,994,407	9,160,327	1,834,080
Pupil transportation	2,775,607	2,728,108	2,924,169	(196,061)
Central	<u>2,620,927</u>	<u>2,620,926</u>	<u>2,439,033</u>	<u>181,893</u>
Total support services	<u>39,028,014</u>	<u>39,334,434</u>	<u>36,037,589</u>	<u>3,296,845</u>
Operation of non-instructional services:				
Community services	25,850	40,517	12,492	28,025
Other operation non-instructional services	<u>52,405</u>	<u>54,405</u>	<u>46,541</u>	<u>7,864</u>
Total operation of non-instructional services	<u>78,255</u>	<u>94,922</u>	<u>59,033</u>	<u>35,889</u>

Continued

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Academic and subject oriented	428,685	428,685	155,983	272,702
Occupation oriented	1,289	1,289	4,453	(3,164)
Sports oriented	478,217	478,217	733,429	(255,212)
Co-curricular activities	<u>4,836</u>	<u>4,836</u>	<u>61,025</u>	<u>(56,189)</u>
Total extracurricular activities	<u>913,027</u>	<u>913,027</u>	<u>954,890</u>	<u>(41,863)</u>
Total expenditures	<u>84,260,390</u>	<u>84,671,914</u>	<u>81,601,798</u>	<u>3,070,116</u>
Excess of revenues over (under) expenditures	<u>908,110</u>	<u>4,834,571</u>	<u>7,904,687</u>	<u>3,070,116</u>
Other financing sources (uses):				
Transfers - in	-	17,099	17,099	-
Advances - in	1,700,500	1,700,405	1,700,405	-
Refund of prior year's expenditures	-	3,784	3,789	5
Transfers - out	(1,121,000)	(1,121,000)	(428,561)	692,439
Advances - out	-	-	(933,655)	(933,655)
Other miscellaneous use of funds	<u>(300,000)</u>	<u>(174,560)</u>	<u>-</u>	<u>174,560</u>
Total other financing sources (uses)	<u>279,500</u>	<u>425,728</u>	<u>359,077</u>	<u>(66,651)</u>
Net change in fund balance	1,187,610	5,260,299	8,263,764	3,003,465
Fund balance at beginning of year	1,122,647	1,122,647	1,122,647	-
Prior year encumbrances appropriated	<u>3,434,570</u>	<u>3,434,570</u>	<u>3,434,570</u>	<u>-</u>
Fund balance at end of year	\$ <u>5,744,827</u>	\$ <u>9,817,516</u>	\$ <u>12,820,981</u>	\$ <u>3,003,465</u>

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

Cleveland Heights-University Heights City School District

Statement of Fund Net Assets Proprietary Funds

June 30, 2005

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Bellefaire</u>	<u>Non-Major</u>	<u>Total</u>	<u>Activities</u>
	<u>General</u>	<u>Enterprise</u>		<u>Internal</u>
	<u>Rotary</u>			<u>Service</u>
				<u>Funds</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 1,106,735	\$ 104,446	\$ 1,211,181	\$ 1,427,592
Accounts receivable	-	24,627	24,627	-
Intergovernmental receivable	3,665,205	37,855	3,703,060	-
Materials and supplies inventories	-	2,902	2,902	-
Inventory held for resale	-	15,293	15,293	-
Total current assets	<u>4,771,940</u>	<u>185,123</u>	<u>4,957,063</u>	<u>1,427,592</u>
Noncurrent assets:				
Capital assets, net of depreciation	<u>29,492</u>	<u>758,198</u>	<u>787,690</u>	<u>-</u>
Total assets	<u>4,801,432</u>	<u>943,321</u>	<u>5,744,753</u>	<u>1,427,592</u>
Liabilities:				
Current liabilities:				
Accounts payable	9,488	-	9,488	-
Accrued wages and benefits	31,462	46,735	78,197	2,582
Interfund payable	4,627,960	711,060	5,339,020	-
Intergovernmental payable	94,913	111,565	206,478	1,671
Claims payable	-	-	-	140,700
Current portion of accrued compensated absences	<u>14,086</u>	<u>6,460</u>	<u>20,546</u>	<u>-</u>
Total current liabilities	<u>4,777,909</u>	<u>875,820</u>	<u>5,653,729</u>	<u>144,953</u>
Non-current liabilities:				
Accrued compensated absences	<u>187,142</u>	<u>85,828</u>	<u>272,970</u>	<u>-</u>
Total liabilities	<u>4,965,051</u>	<u>961,648</u>	<u>5,926,699</u>	<u>144,953</u>
Net assets:				
Investment in capital assets, net of related debt	29,492	758,198	787,690	-
Unrestricted (deficit)	<u>(193,111)</u>	<u>(776,525)</u>	<u>(969,636)</u>	<u>1,282,639</u>
Total net assets (deficit)	<u>\$ (163,619)</u>	<u>\$ (18,327)</u>	<u>\$ (181,946)</u>	<u>\$ 1,282,639</u>

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

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For The Fiscal Year Ended June 30, 2005

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Bellefaire</u>	<u>Non-Major</u>	<u>Total</u>	<u>Activities</u>
	<u>General</u>			<u>Internal</u>
	<u>Rotary</u>	<u>Enterprise</u>		<u>Service</u>
				<u>Funds</u>
Operating revenues:				
Intergovernmental	\$ -	\$ 218,838	\$ 218,838	\$ -
Tuition and fees	1,776,330	890,313	2,666,643	1,378,805
Classroom materials and fees	-	53,602	53,602	-
Food services	-	545,521	545,521	-
Miscellaneous	120	40,060	40,180	933,911
Total operating revenues	<u>1,776,450</u>	<u>1,748,334</u>	<u>3,524,784</u>	<u>2,312,716</u>
Operating expenses:				
Salaries and wages	1,519,117	1,387,399	2,906,516	32,995
Fringe benefits	642,707	441,299	1,084,006	2,338,898
Contractual services	392,604	92,557	485,161	115,322
Materials and supplies	51,130	1,211,460	1,262,590	-
Capital outlay	2,400	5,093	7,493	-
Other expenses	3,822	4,886	8,708	-
Depreciation	3,547	30,038	33,585	-
Total operating expenses	<u>2,615,327</u>	<u>3,172,732</u>	<u>5,788,059</u>	<u>2,487,215</u>
Operating loss	<u>(838,877)</u>	<u>(1,424,398)</u>	<u>(2,263,275)</u>	<u>(174,499)</u>
Non-operating revenues:				
Federal donated commodities	-	126,096	126,096	-
Operating grants	705,308	1,261,563	1,966,871	-
Total non-operating revenues	<u>705,308</u>	<u>1,387,659</u>	<u>2,092,967</u>	<u>-</u>
Net loss	(133,569)	(36,739)	(170,308)	(174,499)
Net assets (deficit) at beginning of year, restated	<u>(30,050)</u>	<u>18,412</u>	<u>(11,638)</u>	<u>1,457,138</u>
Net assets (deficit) at end of year	\$ <u>(163,619)</u>	\$ <u>(18,327)</u>	\$ <u>(181,946)</u>	\$ <u>1,282,639</u>

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

Cleveland Heights-University Heights City School District

Statement of Cash Flows Proprietary Funds

For The Fiscal Year Ended June 30, 2005

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire General Rotary	Non-Major Enterprise	Total	Internal Service Funds
Increase (decrease) in cash and cash equivalents:				
Cash flows from operating activities:				
Cash received from customers	\$ 3,038,847	\$ 1,905,690	\$ 4,944,537	\$ 1,391,631
Cash received from claims	-	-	-	933,911
Cash received from other operating sources	120	40,060	40,180	-
Cash payments for supplies for goods and services	(437,161)	(1,152,506)	(1,589,667)	(120,739)
Cash payments for employees for services	(1,543,273)	(1,387,897)	(2,931,170)	(742,410)
Cash payments for employee benefits	(590,702)	(531,642)	(1,122,344)	-
Cash payments for claims	-	-	-	(1,839,565)
Cash payments for other	(3,822)	(4,886)	(8,708)	-
Net cash provided by (used for) operating activities	<u>464,009</u>	<u>(1,131,181)</u>	<u>(667,172)</u>	<u>(377,172)</u>
Cash flows from noncapital financing activities:				
Operating grants received	705,308	1,259,803	1,965,111	-
Advances - in	-	377,892	377,892	-
Advances - out	(125,133)	(450,560)	(575,693)	-
Net cash provided by noncapital financing activities	<u>580,175</u>	<u>1,187,135</u>	<u>1,767,310</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,044,184	55,954	1,100,138	(377,172)
Cash and cash equivalents at beginning of year	<u>62,551</u>	<u>48,492</u>	<u>111,043</u>	<u>1,804,764</u>
Cash and cash equivalents at end of year	\$ <u>1,106,735</u>	\$ <u>104,446</u>	\$ <u>1,211,181</u>	\$ <u>1,427,592</u>
Non-cash noncapital financing activities:				
Federal donated commodities	\$ -	\$ <u>126,096</u>	\$ <u>126,096</u>	\$ -

Continued

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

Cleveland Heights-University Heights City School District

Statement of Cash Flows (continued)

Proprietary Funds

For The Fiscal Year Ended June 30, 2005

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire General Rotary	Non-Major Enterprise	Total	Internal Service Funds
Reconciliation of operating loss to net cash provided by (used for) operating activities:				
Operating loss	\$ (838,877)	\$ (1,424,398)	\$ (2,263,275)	\$ (174,499)
Adjustments:				
Depreciation	3,547	30,038	33,585	-
Federal donated commodities	-	126,096	126,096	-
Changes in assets/liabilities:				
(Increase) decrease in accounts receivable	-	(6,300)	(6,300)	4
Decrease in intergovernmental receivable	1,262,517	203,716	1,466,233	-
Decrease in materials and supplies inventories	-	628	628	-
Decrease in inventory held for resale	-	31,979	31,979	-
Decrease (increase) in accounts payable	8,973	(2,099)	6,874	(5,417)
Increase (decrease) in accrued wages and benefits	(7,629)	492	(7,137)	299
Increase in accrued compensated absences	54,748	17,102	71,850	-
(Decrease) increase in intergovernmental payable	(19,270)	(108,435)	(127,705)	550
Decrease in claims payable	-	-	-	(198,109)
Total adjustments	<u>1,302,886</u>	<u>293,217</u>	<u>1,596,103</u>	<u>(202,673)</u>
Net cash provided by (used for) operating activities	\$ <u>464,009</u>	\$ <u>(1,131,181)</u>	\$ <u>(667,172)</u>	\$ <u>(377,172)</u>

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

Cleveland Heights-University Heights City School District

Statement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2005

	Student Managed Activity <u>Agency Fund</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ <u>126,314</u>
Liabilities:	
Accounts payable	\$ 4,240
Due to students	<u>122,074</u>
Total liabilities	\$ <u>126,314</u>

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements

June 30, 2005

Note 1: Description of the School District

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education controls the District's ten instructional/support facilities staffed by 512 classified employees, 473 certificated full-time teaching personnel and approximately 50 administrators who provide services to 6,711 students and other community members.

Reporting Entity

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

The following non-public schools operate within the District's boundaries: Beaumont High School, Fuchs Mizrahi School, GESU School, Hebrew Academy of Cleveland, Lutheran East High School, Monarch School, Mosdos Ohr Hatorah, Ruffing Montessori, St. Ann School, St. Louis School and Woodside 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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 1: Description of the School District (continued)

Reporting Entity (continued)

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.

Note 2: Summary of Significant Accounting Policies

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

A. Fund Accounting

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

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.

Debt Service Fund - The debt service 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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 2: Summary of Significant Accounting Policies (continued)

A. Fund Accounting (continued)

Permanent Improvement Capital Projects Funds - A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Ohio Revised Code.

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 provides for the purchase of services and equipment by internal persons and organizations.

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

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

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

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

B. Basis of Presentation

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 2: Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

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

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

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

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

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

C. Basis of Accounting

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 2: Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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

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

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2005 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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 2: Summary of Significant Accounting Policies (continued)

D. Budgets

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

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

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

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

E. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. The District utilized a fiscal agent to handle money in a trust account for the future repayments of Qualified Zone Academy Bond ("QZAB") debt as it becomes due. The balance in this account is presented on the financial statements as "restricted cash and cash equivalents", and represents deposits and short-term investments.

During fiscal year 2005, investments were limited to overnight Repurchase Agreements and the 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 2005. 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, 2005.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 2: Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents (continued)

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 2005 amounted to \$319,579. The amount allocated from the other funds during fiscal year 2005 amounted to \$80,964.

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 School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. No restricted assets are required in the General Fund, see Note 18 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies and various small equipment held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

I. Capital Assets

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

All capital assets are capitalized at cost (or estimate 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. 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 Buildings Improvements	30 - 99 years	30 - 99 years
Furniture and Equipment	5 - 10 years	5 - 10 years
Vehicles	10 years	N/A

J. Interfund Transactions

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

K. Compensated Absences

Vacation benefits are accrued as a liability 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 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 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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 2: Summary of Significant Accounting Policies (continued)

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

M. Fund Balance Reserves

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School 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.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for adult education classes, sales for food service and uniform school supplies, 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.

Cleveland Heights-University Heights City School District

Notes to Basic Financial Statements (continued)

June 30, 2005

Note 2: Summary of Significant Accounting Policies (continued)

P. Interfund Activity

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. During fiscal year 2005, the District had neither extraordinary items nor special items.

R. Estimates

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

Note 3: Change in Accounting Principle and Restatement of Fund Balance

For fiscal year 2005, the District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures," which establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk. The implementation of GASB 40 did not affect the presentation of the financial statements of the District.

During 2004, the District issued Qualified Zone Academy Bonds (QZAB). To satisfy escrow requirements of the QZAB program, the District placed monies in an escrow account. As a result, the permanent improvement fund balance and the governmental activities net assets have been restated to reflect the fair market value of the escrow account at 2004 fiscal year end.

Based on guidance issued in GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers", it was determined that unpaid pension expenditures due at year-end should be recorded as a fund liability on the balance sheet. It was also noted that a portion of accrued pension (reported as government pay) was classified as governmental activities liability instead of a business-type liability. As a result, fund balances have been restated as follows:

Cleveland Heights-University Heights City School District

Notes to Basic Financial Statements (continued)

June 30, 2005

Note 3: Change in Accounting Principle and Restatement of Fund Balance (continued)

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances at June 30, 2004	\$ 17,046,210	\$ 258,667	\$ 7,820,620	\$ 631,660	\$ 25,757,157
Reclassification adjustments:					
Intergovernmental payable	(1,106,212)	-	-	(112,298)	(1,218,510)
Restricted cash	<u>-</u>	<u>-</u>	<u>2,917,946</u>	<u>-</u>	<u>2,917,946</u>
Fund balances at June 30, 2004, restated	\$ <u>15,939,998</u>	\$ <u>258,667</u>	\$ <u>10,738,566</u>	\$ <u>519,362</u>	\$ <u>27,456,593</u>
				<u>Governmental Activities</u>	
Net assets at June 30, 2004					\$ 35,537,996
Reclassification adjustments:					
Intergovernmental payable					211,310
Restricted cash					<u>2,917,949</u>
Net assets at June 30, 2004, restated					\$ <u>38,667,255</u>
	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities Internal Service Fund</u>	
	<u>Bellefaire General Rotary</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>		
Net assets at June 30, 2004	\$ 23,224	\$ 23,995	\$ 47,219	\$ 1,457,402	
Reclassification adjustments:					
Intergovernmental payable	(53,274)	(158,036)	(211,310)	(264)	
Restricted cash					
Restatement of capital assets	<u>-</u>	<u>152,453</u>	<u>152,453</u>	<u>-</u>	
Net assets at June 30, 2004, restated	\$ <u>(30,050)</u>	\$ <u>18,412</u>	\$ <u>(11,638)</u>	\$ <u>1,457,138</u>	

Cleveland Heights-University Heights City School District

Notes to Basic Financial Statements (continued)

June 30, 2005

Note 4: Budgetary Compliance

A. Fund Deficits

The following funds had deficit fund balances/net assets at June 30, 2005:

Special Revenue Funds:

Motorcycle Safety Education	\$ 8,108
Public School Preschool Grant	8,318
Ohio Reads	832
Alternative School Grant	5,048
Adult Basic Education	18,008
Title III	1,223
Title V Innovative Program	2,719

Enterprise Funds:

Food Services	631,359
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The deficits in the special revenue funds are due to timing differences in accruing revenues and expenditures.

The deficit in the enterprise fund is due to increased expenses. The deficits will be eliminated through increases in fees in future periods.

B. Noncompliance

The District had appropriations in excess of expenditures and encumbrances, contrary to Ohio Revised Code 5705.41 (B) and (D) in the amount of \$95 in the Title V Innovative Program Fund.

Note 5: Budgetary Basis of Accounting

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 5: Budgetary Basis of Accounting (continued)

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

	<u>General</u>
GAAP Basis	\$ 15,501,857
Revenue Accruals	(4,299,034)
Expenditure Accruals	(244,552)
Encumbrances	<u>(2,694,507)</u>
Budget Basis	<u>\$ 8,263,764</u>

Note 6: Deposits and Investments

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

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

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

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

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:

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 6: Deposits and Investments (continued)

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 6: Deposits and Investments (continued)

Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. 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 \$17,571,508 and the bank balance was \$18,620,086. Of the bank balance, \$301,869 was covered by Federal depository insurance and \$18,318,217 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 \$3,880 undeposited cash on hand, which is included on the balance sheet of the District as part of "equity in pooled cash and cash equivalents".

Investments

Investments are reported as fair value. As of June 30, 2005, the District had the following investments:

	<u>Fair Value</u>	<u>Maturity Date</u>
Repurchase Agreements	\$ 1,348,003	July 2005
STAROhio	<u>2,207,772</u>	July 2005
Total Portfolio	<u>\$ 3,555,775</u>	

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 6: Deposits and Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires that no more than fifty percent of the District's interim monies shall be invested in repurchase agreements with any one eligible depository and no more than twenty percent of the District's interim monies shall be invested in repurchase agreements with any one qualified securities dealer. 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, 2005:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
BankOne	21.74%
First Merit	16.17%
STAROhio	62.09%

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 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 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 2005 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 24 percent of true value for inventory. 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 semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 7: Property Taxes (continued)

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property, and tangible personal property taxes which are measurable as of June 30, 2005, 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, 2005, was \$14,512,769 in the general fund, \$182,953 in the debt service fund, and \$861,278 was available to the permanent improvement capital projects 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 2005 taxes were collected are:

	2004		2005	
	<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	\$ 1,066,559,720	94.93%	\$ 1,135,565,940	95.55%
Public Utility	33,561,950	2.99%	30,356,400	2.55%
Tangible Personal Property	<u>23,331,004</u>	<u>2.08%</u>	<u>22,495,796</u>	<u>1.90%</u>
	<u>\$ 1,123,452,674</u>	<u>100.00%</u>	<u>\$ 1,188,418,136</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$ 121.10		\$ 129.60	

Note 8: Interfund Transactions

A. Interfund transactions for the year ended June 30, 2005 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 555,790
General Fund	Bellefaire Enterprise Funds	4,627,960
General Fund	Nonmajor Enterprise Funds	<u>711,060</u>
		<u>\$ 5,894,810</u>

Interfund balances of \$5,339,020 on the government-wide financial statements are a result of advances for reimbursements due from operations and intrafund balances of \$555,790 being eliminated.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 8: Interfund Transactions (continued)

B. Interfund transfers for the year ended June 30, 2005, consisted of the following:

	<u>Amount</u>
Transfers from General Fund to:	
Debt Service	\$ 169,000
Nonmajor Governmental Funds	232,061
Transfers from Nonmajor Governmental Funds to:	
General Fund	17,099
Nonmajor Governmental Funds	335,093
Transfer from Permanent Improvements to:	
Debt Service	<u>679,353</u>
	<u>\$ 1,432,606</u>

Transfers are used to move revenues from the fund that statute or budget required 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.

Transfers of \$1,432,606 were eliminated since they were within governmental activity. These transfers were made to provide additional resources for current operations.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 9: Receivables

Receivables at June 30, 2005, consisted of taxes, accounts (rent and student fees), tuition, 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>	
General fund:		
Special education - tuition	\$ 2,064,726	
Vocational education - tuition	63,695	
Transportation fees	6,388	
Reimbursements	<u>273,544</u>	
Total general fund		\$ 2,408,353
Special revenue funds:		
Public school preschool	10,665	
Ohio reads	7,121	
Summer intervention	74,810	
Alternative school	16,597	
Adult basic-education	112,933	
Idea (flo thru)	666,429	
Title III	11,535	
Title I	128,815	
Drug free schools	13,441	
Preschool disabilities grant	5,107	
Title IIA - improving teacher quality	34,208	
Miscellaneous federal grants	<u>3,500,153</u>	
Total special revenue funds		4,581,814
Enterprise funds:		
Bellefaire general rotary - tuition	3,665,205	
Food services	<u>37,855</u>	
Total enterprise funds		<u>3,703,060</u>
Total intergovernmental receivable		\$ <u><u>10,693,227</u></u>

Cleveland Heights-University Heights City School District

Notes to Basic Financial Statements (continued)

June 30, 2005

Note 10: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Balance at 6/30/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 6/30/05</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>4,672,633</u>	<u>1,117,606</u>	<u>(4,672,633)</u>	<u>1,117,606</u>
Total capital assets, not being depreciated	<u>6,654,256</u>	<u>1,117,606</u>	<u>(4,672,633)</u>	<u>3,099,229</u>
Capital assets, being depreciated:				
Land improvements	2,975,963	294,371	-	3,270,334
Buildings and improvements	27,209,116	7,305,787	-	34,514,903
Vehicles	3,084,751	253,559	-	3,338,310
Furniture and equipment	<u>2,591,294</u>	<u>159,266</u>	<u>(7,696)</u>	<u>2,742,864</u>
Total capital assets, being depreciated	<u>35,861,124</u>	<u>8,012,983</u>	<u>(7,696)</u>	<u>43,866,411</u>
Less accumulated depreciation:				
Land improvements	(893,813)	(60,759)	-	(954,572)
Buildings and Improvements	(11,448,617)	(525,122)	-	(11,973,739)
Vehicles	(1,467,114)	(196,852)	-	(1,663,966)
Furniture and equipment	<u>(1,530,488)</u>	<u>(150,817)</u>	<u>7,696</u>	<u>(1,673,609)</u>
Total accumulated depreciation	<u>(15,340,032)</u>	<u>(933,550)</u>	<u>7,696</u>	<u>(16,265,886)</u>
Total capital assets being depreciated, net	<u>20,521,092</u>	<u>7,079,433</u>	<u>-</u>	<u>27,600,525</u>
Governmental activities capital assets, net	\$ <u>27,175,348</u>	\$ <u>8,197,039</u>	\$ <u>(4,672,633)</u>	\$ <u>30,699,754</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 10: Capital Assets (continued)

	Restated Balance at 6/30/04	<u>Additions</u>	<u>Disposals</u>	Balance at 6/30/05
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 6,274	\$ -	\$ -	\$ 6,274
Buildings and improvements	1,250,810	-	-	1,250,810
Furniture and equipment	479,298	-	-	479,298
Vehicles	<u>23,927</u>	<u>-</u>	<u>-</u>	<u>23,927</u>
Total capital assets, being depreciated	<u>1,760,309</u>	<u>-</u>	<u>-</u>	<u>1,760,309</u>
Less: accumulated depreciation:				
Land improvements	(5,406)	(125)	-	(5,531)
Buildings and improvements	(640,441)	(13,390)	-	(653,831)
Furniture and equipment	(292,522)	(18,475)	-	(310,997)
Vehicles	<u>(665)</u>	<u>(1,595)</u>	<u>-</u>	<u>(2,260)</u>
Total accumulated depreciation	<u>(939,034)</u>	<u>(33,585)</u>	<u>-</u>	<u>(972,619)</u>
Business-type activities capital assets, net	\$ <u>821,275</u>	\$ <u>(33,585)</u>	\$ <u>-</u>	\$ <u>787,690</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 396,526
Special	631
Vocational	17,045
Support services:	
Instructional staff	59,555
Administration	1,675
Fiscal	448
Business	25,171
Operations and maintenance of plant	234,271
Pupil transportation	165,973
Central	8,130
Community services	13,933
Extracurricular activities	<u>10,192</u>
	<u>\$ 933,550</u>

Cleveland Heights-University Heights City School District

Notes to Basic Financial Statements (continued)

June 30, 2005

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 2005, the District contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible/Limit of Coverage</u>
Indiana Insurance Co.	Liability	\$10,000 (deductible) \$1,000,000 (limit)
Indiana Insurance Co.	Fleet	\$1,000 comprehensive \$1,000 collision \$1,000,000 (limit)
Indiana Insurance Co.	Property and Inland Marine Boiler and Machinery (Travelers)	\$1,000 deductible-boilers \$25,000 deductible-property \$30,000,000 (loss limit) \$142,198,300 blanket limit
Fidelity and Deposit Co. of Maryland	Employee Blanket Bond	\$500 deductible \$20,000 limit
Wausau Position and Treasurers'	Bond	\$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

Prior to 1996, the District participated in the State Workers' Compensation retrospective rating and payment system. The plan involved the payment of a minimum premium for administrative services and stop loss coverage plus the actual claim costs for employees injured. During 1996, the District switched to the premium rating coverage provided by the State. This coverage is based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The District owed the State Workers' Compensation System for ongoing claims during the year that the District was covered by the retrospective rating plan.

As of March 2005, the District has fulfilled its obligation to the State Workers' Compensation retrospective rating and payment system. Changes in the fund's claims liability amount in 2003, 2004, and 2005 are as follows:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
June 30, 2003	\$ 220,031	\$ 220,276	\$ 230,548	\$ 209,759
June 30, 2004	209,759	969,964	969,814	209,909
June 30, 2005	209,909	-	(209,909)	-

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 11: Risk Management (continued)

C. Employee Medical Benefits

The District operates and manages employee health benefits on a self-insured basis for prescriptions for all employees and dental and vision for teachers. Dental and vision coverage switched from self-insured to premium based in September, 2000.

Also, all employees are now covered. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The premium is paid by the fund that pays the salary for the employee and is based on historical cost information. Incurred but not reported claims of \$140,700 have been accrued in the self insurance internal service fund at June 30, 2005, based on an estimate from a third party administrator.

The claims liability of \$140,700 reported in the fund at June 30, 2005, is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount in 2003, 2004, and 2005 are as follows:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
June 30, 2003	\$ 96,000	\$ 1,747,759	\$ 1,726,059	\$ 117,700
June 30, 2004	117,700	1,929,389	1,918,189	128,900
June 30, 2005	128,900	1,866,844	1,855,044	140,700

Note 12: Defined Benefit Pension Plans

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 12: Defined Benefit Pension Plans (continued)

A. School Employees Retirement System (continued)

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations, with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal years 2004 and 2003, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003, were \$1,896,139, \$1,977,021, and \$2,039,850, respectively; 77.50 percent has been contributed for fiscal year 2005 and 100 percent for the fiscal years 2004 and 2003.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits, based on eligible service credit to members and beneficiaries. STRS issues a stand-alone financial report. Copies of the report can be requested by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371, or by calling (614) 227-4090.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

The Combined Plan offers features of both the DC plan and the DB plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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 these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 12: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

For the fiscal years ended June 30, 2005 and 2004, plan members are required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2005, 2004, and 2003, were \$5,934,970, \$5,959,450, and \$5,680,938, respectively; 68.92 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

Note 13: Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently, 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$423,926 for fiscal year 2005.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2005 (the latest information available), the balance in the fund was \$3.1 billion. For the year ended June 30, 2005, net health care costs by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established at \$27,400.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 13: Postemployment Benefits (continued)

However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2005 fiscal year, the District paid \$671,813 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

Note 14: Compensated Absences

The criteria for determining vacation, personal, and sick leave benefits are derived from negotiated agreements and State laws. Employees can earn three days of personal leave per year. This may be accumulated up to five days. Classified employees can earn ten to twenty-five days of vacation per year, depending on length of service. Accumulated unused vacation time is paid to classified employees 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 160 days of total sick leave accumulation, 100 percent of the next twenty-five and one-fourth of any remaining days. The entire compensated absence liability 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 2005 were as follows:

	Principal Outstanding 6/30/04	Additions	Deletions	Principal Outstanding at 6/30/05	Amounts Due in One Year
Governmental Activities:					
1998 \$1,400,000 Energy Conservation Bonds-7.00%	\$ 700,000	\$ -	\$ 140,000	\$ 560,000	\$ 140,000
2003 \$5,800,000 Energy Conservation Bonds-variable	5,800,000	-	520,000	5,280,000	530,000
2002 \$9,499,990 Library Improvement Bonds- variable interest rate	9,034,990	-	250,000	8,784,990	260,000
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital Lease Obligations	1,201,834	577,492	637,819	1,141,507	627,330
Compensated Absences	<u>5,835,766</u>	<u>2,625,008</u>	<u>1,421,811</u>	<u>7,038,963</u>	<u>1,167,027</u>
Total Governmental Long-Term Liabilities	\$ <u>28,072,590</u>	\$ <u>3,202,500</u>	\$ <u>2,969,630</u>	\$ <u>28,305,460</u>	\$ <u>2,724,357</u>
Business-Type Activities:					
Compensated Absences	\$ <u>221,666</u>	\$ <u>88,668</u>	\$ <u>16,818</u>	\$ <u>293,516</u>	\$ <u>20,546</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 15: Long - Term Liabilities (continued)

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

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

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

The legal debt margin of the District as of June 30, 2005, was \$92,727,083 with an unvoted debt margin of \$1,188,418.

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2005, are as follows:

	Energy Conservation Bonds			Library Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2006	\$ 670,000	\$ 171,392	\$ 841,392	\$ 260,000	\$ 399,866	\$ 659,866	\$ 1,501,258
2007	685,000	154,202	839,202	153,371	395,511	548,882	1,388,084
2008	695,000	136,069	831,069	151,748	395,511	547,259	1,378,328
2009	705,000	116,746	821,746	134,871	395,511	530,382	1,352,128
2010	580,000	98,188	678,188	295,000	389,317	684,317	1,362,505
2011-2015	2,505,000	189,920	2,694,920	1,680,000	1,735,928	3,415,928	6,110,848
2016-2020	-	-	-	2,120,000	1,286,788	3,406,788	3,406,788
2021-2025	-	-	-	2,705,000	686,224	3,391,224	3,391,224
2026-2027	-	-	-	<u>1,285,000</u>	<u>66,754</u>	<u>1,351,754</u>	<u>1,351,754</u>
Total	\$ <u>5,840,000</u>	\$ <u>866,517</u>	\$ <u>6,706,517</u>	\$ <u>8,784,990</u>	\$ <u>5,751,410</u>	\$ <u>14,536,400</u>	\$ <u>21,242,917</u>

Note 16: Capital Lease Obligations

The District has entered into capital leases for a security system, copiers, air conditioner and communications system. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reflected as program/function expenditures in the basic financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 16: Capital Lease Obligations (continued)

Governmental activities capital assets consisting of a phone system, copiers, an air conditioning system and a security system have been capitalized in the amount of \$2,345,834. These amounts represent the present value of the future minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in the 2005 fiscal year totaled \$637,819. These amounts are reported as program/function expenditures of the general fund and permanent improvement capital projects fund.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2005:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2006	\$ 659,663
2007	274,272
2008	127,782
2009	127,781
2010	<u>10,649</u>
Total minimum lease payments	1,200,147
Less: amount representing interest	<u>(58,640)</u>
Present value of minimum lease payments	<u>\$ 1,141,507</u>

Note 17: Jointly Governed Organizations

The Ohio Schools' Council Association (Council) is a jointly governed organization among 83 school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. The Council sponsors an insurance purchasing plan in which the District participates. The Council also sponsors a workers' compensation group rating plan which is an insurance purchasing pool. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2005, the District paid \$1,755 to the Council. Financial information can be obtained by contacting Albert G. Vasek, Executive Secretary, at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 17: Jointly Governed Organizations (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 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. In prior years, the District was also required to set aside money for budget stabilization.

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, 2004	\$ (31,749)	\$ -
Current Year Set-Aside Requirements	978,932	978,932
Qualifying Disbursements	<u>(972,555)</u>	<u>(8,402,782)</u>
Total	\$ <u><u>(25,372)</u></u>	\$ <u><u>(7,423,850)</u></u>
Set-Aside Balances Carried		
Forward to Future Years	\$ <u><u>(25,372)</u></u>	\$ <u><u>-</u></u>
Set-Aside Reserve Balance as of June 30, 2005	\$ <u><u>(25,372)</u></u>	\$ <u><u>-</u></u>

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2005

Note 19: 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, 2005.

B. Litigation

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

Note 20: State School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

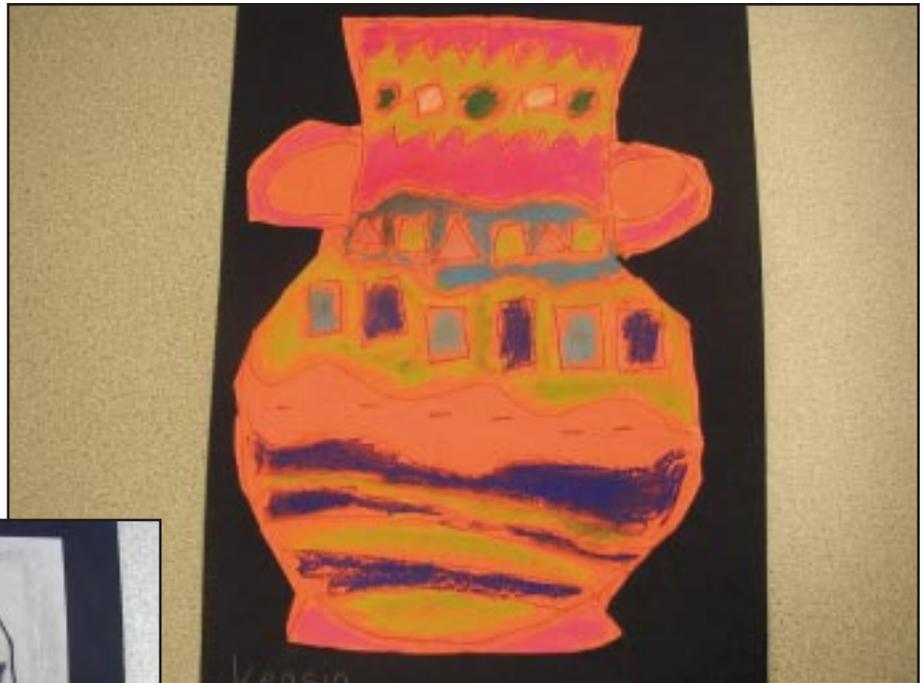
Note 21: Related Organization

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, Individual Fund, and Account Group Statements and Schedules

**KEASIA
CHAVIS**

*Grade 1
Boulevard Elementary School*



KATIE DEMSEY

Grade 5, Roxboro Elementary School



AMBER JENKINS

Grade 4, Oxford Elementary School



Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds Fund Descriptions

June 30, 2005

Nonmajor Special Revenue Funds

The 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 School District's nonmajor special revenue funds:

Special Trust This fund is used to account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds.

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

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

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

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

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

Motorcycle Safety Education This fund is used to account for receipts and expenditures of the Motorcycle Safety and Education Program.

Educational Management Information System 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.

Entry Year Program This fund is used to implement entry-year programs, pursuant to Division (T) of Section 3317.024 of the Ohio Revised Code.

One Net Communiqué This fund is provided to account for money appropriated for Ohio Educational Computer Network connections and switching cost.

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

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds Fund Descriptions

June 30, 2005

Nonmajor Special Revenue Funds (continued)

Textbook Subsidy This fund accounts for state monies used for textbooks.

Ohio Reads The Ohio Reads Grants were established to provide funds to be utilized to improve reading skills for students in grades K-3. These funds will be used for salaries, benefits, supplies and purchased services associated with this program.

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.

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.

Extended Learning Opportunity This Ohio Department of Education allocation provided funding to supplement existing programs for extended learning opportunities in kindergarten through third grade, as well as professional development opportunities for teachers.

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.

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds

Fund Descriptions

June 30, 2005

Nonmajor Special Revenue Funds (continued)

Vocational Education Provides funds to boards of education, teacher 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. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

Title III Provides 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.

Chinese Refugees The purpose of this fund provides educational services to meet special educational needs of refugee children who are enrolled in public and non-profit private elementary and secondary schools.

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.

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds

Fund Descriptions

June 30, 2005

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for the acquisition or construction of major capital facilities. Following is a description of the nonmajor capital projects fund:

School Net Plus A fund to account for monies received by the State of Ohio for the purpose of purchasing computers for K-4 grades.

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 Service This fund accounts for the provision of food service 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.

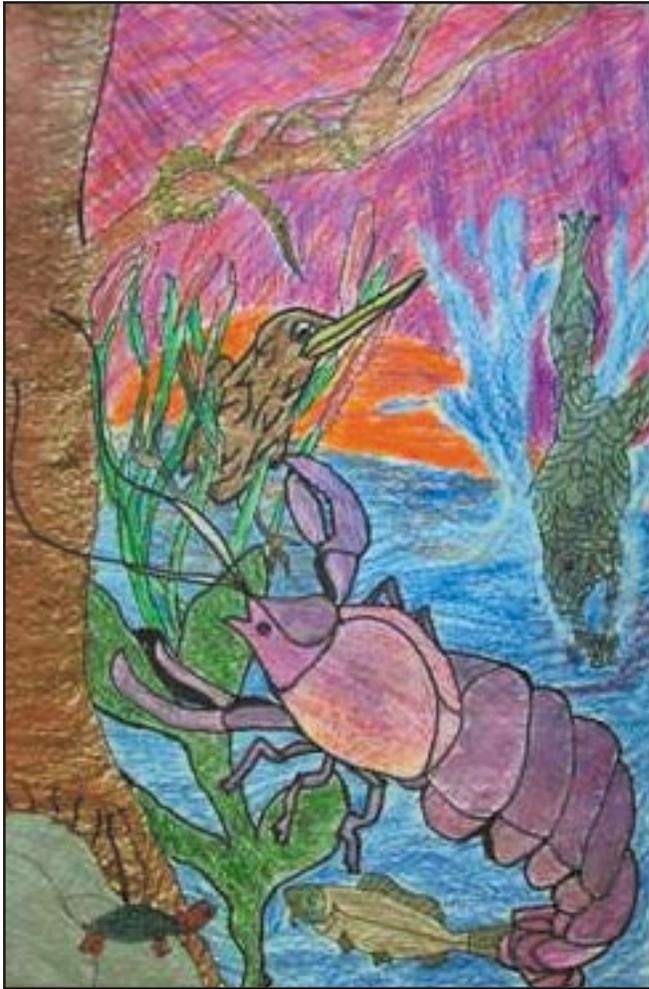
Workers' Compensation To account for the claims and premiums paid to the State for workers' compensation insurance.

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,821,021	\$ 61,033	\$ 1,882,054
Accounts receivable	292,661	-	292,661
Intergovernmental receivable	<u>4,581,814</u>	<u>-</u>	<u>4,581,814</u>
Total assets	<u>\$ 6,695,496</u>	<u>\$ 61,033</u>	<u>\$ 6,756,529</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 200,535	\$ -	\$ 200,535
Accrued wages and benefits	89,482	-	89,482
Interfund payable	555,790	-	555,790
Intergovernmental payable	230,167	-	230,167
Deferred revenue	<u>3,640,444</u>	<u>-</u>	<u>3,640,444</u>
Total liabilities	<u>4,716,418</u>	<u>-</u>	<u>4,716,418</u>
Fund balances:			
Reserve for encumbrances	777,807	-	777,807
Unreserved, undesignated	<u>1,201,271</u>	<u>61,033</u>	<u>1,262,304</u>
Total fund balances	<u>1,979,078</u>	<u>61,033</u>	<u>2,040,111</u>
Total liabilities and fund balances	<u>\$ 6,695,496</u>	<u>\$ 61,033</u>	<u>\$ 6,756,529</u>

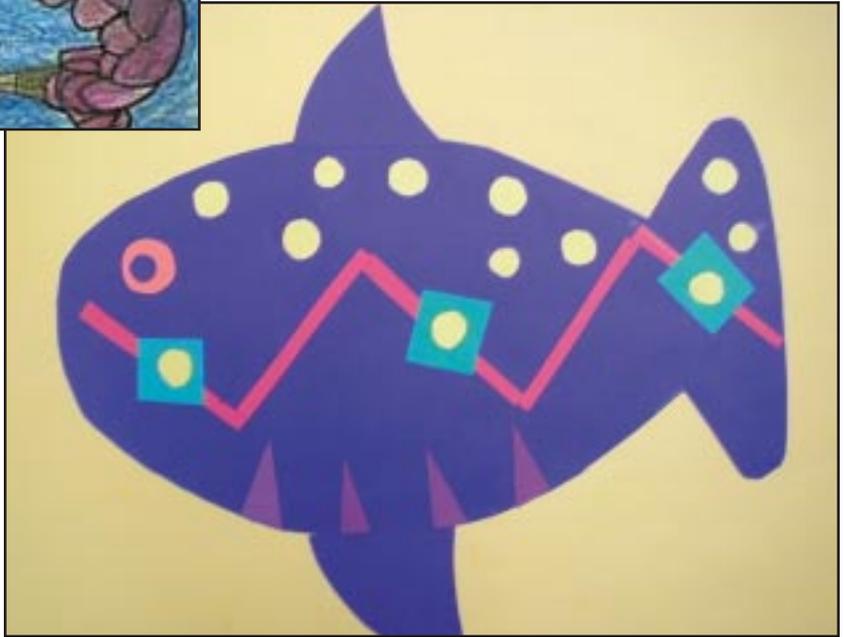


ELLIE AUSTIN

Grade 5, Canterbury Elementary School

MICHELLE PASARON

Grade 1, Fairfax Elementary School



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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 9,015,468	\$ 59,010	\$ 9,074,478
Earnings on investments	40,217	-	40,217
Extracurricular activities	357,465	-	357,465
Classroom materials and fees	23,913	-	23,913
Miscellaneous	<u>1,470,376</u>	<u>-</u>	<u>1,470,376</u>
Total revenues	<u>10,907,439</u>	<u>59,010</u>	<u>10,966,449</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,144,053	-	1,144,053
Special	1,287,287	-	1,287,287
Vocational	231,072	-	231,072
Adult/continuing	240,559	-	240,559
Support services:			
Pupil	2,475,699	-	2,475,699
Instructional staff	1,013,954	-	1,013,954
Administration	671,467	-	671,467
Business	384	-	384
Operations and maintenance of plant	52,320	-	52,320
Pupil transportation	33,324	-	33,324
Central	328,124	-	328,124
Operation of non-instructional services:			
Community services	1,931,039	-	1,931,039
Extracurricular activities	<u>251,380</u>	<u>-</u>	<u>251,380</u>
Total expenditures	<u>9,660,662</u>	<u>-</u>	<u>9,660,662</u>
Excess of revenues over (under) expenditures	<u>1,246,777</u>	<u>59,010</u>	<u>1,305,787</u>
Other financing sources (uses):			
Transfers - in	567,154	-	567,154
Transfers - out	<u>(352,192)</u>	<u>-</u>	<u>(352,192)</u>
Total other financing sources (uses)	<u>214,962</u>	<u>-</u>	<u>214,962</u>
Net change in fund balance	1,461,739	59,010	1,520,749
Fund balance at beginning of year, restated	<u>517,339</u>	<u>2,023</u>	<u>519,362</u>
Fund balance at end of year	\$ <u>1,979,078</u>	\$ <u>61,033</u>	\$ <u>2,040,111</u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2005

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Venture Capital - Boulevard</u>	<u>District Managed Activity</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 316,592	\$ 197,144	\$ 136,132	\$ 58	\$ 95,045
Accounts receivable	-	-	292,661	-	-
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ 316,592</u>	<u>\$ 197,144</u>	<u>\$ 428,793</u>	<u>\$ 58</u>	<u>\$ 95,045</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 5,872	\$ -	\$ -
Accrued wages and benefits	-	6	16,209	-	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	-	133	25,228	-	1,011
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>139</u>	<u>47,309</u>	<u>-</u>	<u>1,011</u>
Fund balances:					
Reserve for encumbrances	-	13,517	118,565	-	9,829
Unreserved; undesignated (deficit)	<u>316,592</u>	<u>183,488</u>	<u>262,919</u>	<u>58</u>	<u>84,205</u>
Total fund balances (deficit)	<u>316,592</u>	<u>197,005</u>	<u>381,484</u>	<u>58</u>	<u>94,034</u>
Total liabilities and fund balances	<u>\$ 316,592</u>	<u>\$ 197,144</u>	<u>\$ 428,793</u>	<u>\$ 58</u>	<u>\$ 95,045</u>

<u>Auxiliary Services</u>	<u>Motorcycle Safety Education</u>	<u>Educational Management Information System</u>	<u>Public School Preschool Grant</u>	<u>Entry Year Program</u>	<u>One Net Communique</u>	<u>School Net Professional Development</u>
\$ 441,429	\$ 431	\$ 107,118	\$ -	\$ -	\$ -	\$ 9,794
-	-	-	-	-	-	-
-	-	-	10,665	-	-	-
<u>\$ 441,429</u>	<u>\$ 431</u>	<u>\$ 107,118</u>	<u>\$ 10,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,794</u>
\$ 110,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,731	6,177	-	5,561	-	-	-
-	-	-	8,652	-	-	-
5,248	2,362	1,452	4,770	-	-	-
-	-	-	-	-	-	-
<u>117,723</u>	<u>8,539</u>	<u>1,452</u>	<u>18,983</u>	<u>-</u>	<u>-</u>	<u>-</u>
250,020	-	-	-	-	-	1,419
<u>73,686</u>	<u>(8,108)</u>	<u>105,666</u>	<u>(8,318)</u>	<u>-</u>	<u>-</u>	<u>8,375</u>
<u>323,706</u>	<u>(8,108)</u>	<u>105,666</u>	<u>(8,318)</u>	<u>-</u>	<u>-</u>	<u>9,794</u>
<u>\$ 441,429</u>	<u>\$ 431</u>	<u>\$ 107,118</u>	<u>\$ 10,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,794</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2005

	<u>Textbook Subsidy</u>	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,602	\$ 4,779	\$ 59,690	\$ 3,070
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	<u>7,121</u>	<u>74,810</u>	<u>-</u>
Total assets	<u>\$ 1,602</u>	<u>\$ 11,900</u>	<u>\$ 134,500</u>	<u>\$ 3,070</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 5,290	\$ -
Accrued wages and benefits	-	-	-	384
Interfund payable	-	12,158	62,868	-
Intergovernmental payable	-	574	2,515	651
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>12,732</u>	<u>70,673</u>	<u>1,035</u>
Fund balances:				
Reserve for encumbrances	-	3,557	54,400	-
Unreserved; undesignated (deficit)	<u>1,602</u>	<u>(4,389)</u>	<u>9,427</u>	<u>2,035</u>
Total fund balances (deficit)	<u>1,602</u>	<u>(832)</u>	<u>63,827</u>	<u>2,035</u>
Total liabilities and fund balances	<u>\$ 1,602</u>	<u>\$ 11,900</u>	<u>\$ 134,500</u>	<u>\$ 3,070</u>

<u>Alternative School Grant</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>
\$ 85	\$ 4,358	\$ 28,825	\$ 2,667	\$ 140,658	\$ 53,179
-	-	-	-	-	-
<u>16,597</u>	<u>-</u>	<u>-</u>	<u>112,933</u>	<u>666,429</u>	<u>-</u>
\$ <u>16,682</u>	\$ <u>4,358</u>	\$ <u>28,825</u>	\$ <u>115,600</u>	\$ <u>807,087</u>	\$ <u>53,179</u>
\$ -	\$ -	\$ -	\$ -	\$ 23,944	\$ 22,885
2,534	-	-	14,929	1,175	16
11,080	-	-	5,748	162,974	-
8,116	-	767	14,403	35,415	8,876
-	-	-	98,528	301,142	-
<u>21,730</u>	<u>-</u>	<u>767</u>	<u>133,608</u>	<u>524,650</u>	<u>31,777</u>
-	-	8,795	2,668	122,101	8,378
<u>(5,048)</u>	<u>4,358</u>	<u>19,263</u>	<u>(20,676)</u>	<u>160,336</u>	<u>13,024</u>
<u>(5,048)</u>	<u>4,358</u>	<u>28,058</u>	<u>(18,008)</u>	<u>282,437</u>	<u>21,402</u>
\$ <u>16,682</u>	\$ <u>4,358</u>	\$ <u>28,825</u>	\$ <u>115,600</u>	\$ <u>807,087</u>	\$ <u>53,179</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2005

	<u>Title III</u>	<u>Chinese Refugees</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 6,329	\$ 136	\$ 59,030	\$ 2,137
Accounts receivable	-	-	-	-
Intergovernmental receivable	<u>11,535</u>	<u>-</u>	<u>128,815</u>	<u>-</u>
Total assets	<u>\$ 17,864</u>	<u>\$ 136</u>	<u>\$ 187,845</u>	<u>\$ 2,137</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 4,600	\$ -
Accrued wages and benefits	2,570	-	16,224	-
Interfund payable	4,314	-	3,720	3,309
Intergovernmental payable	668	-	43,106	1,547
Deferred revenue	<u>11,535</u>	<u>-</u>	<u>65,601</u>	<u>-</u>
Total liabilities	<u>19,087</u>	<u>-</u>	<u>133,251</u>	<u>4,856</u>
Fund balances:				
Reserve for encumbrances	6,298	96	54,428	2,136
Unreserved; undesignated (deficit)	<u>(7,521)</u>	<u>40</u>	<u>166</u>	<u>(4,855)</u>
Total fund balances (deficit)	<u>(1,223)</u>	<u>136</u>	<u>54,594</u>	<u>(2,719)</u>
Total liabilities and fund balances	<u>\$ 17,864</u>	<u>\$ 136</u>	<u>\$ 187,845</u>	<u>\$ 2,137</u>

<u>Drug Free Schools</u>	<u>Preschool Disabilities Grant</u>	<u>Title IIA Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 872	\$ -	\$ 22,250	\$ 127,611	\$ 1,821,021
-	-	-	-	292,661
<u>13,441</u>	<u>5,107</u>	<u>34,208</u>	<u>3,500,153</u>	<u>4,581,814</u>
\$ <u><u>14,313</u></u>	\$ <u><u>5,107</u></u>	\$ <u><u>56,458</u></u>	\$ <u><u>3,627,764</u></u>	\$ <u><u>6,695,496</u></u>
\$ -	\$ -	\$ -	\$ 27,200	\$ 200,535
-	324	5,944	15,698	89,482
4,030	1,338	16,932	258,667	555,790
1,144	1,668	13,786	56,727	230,167
<u>6,978</u>	<u>-</u>	<u>-</u>	<u>3,156,660</u>	<u>3,640,444</u>
<u>12,152</u>	<u>3,330</u>	<u>36,662</u>	<u>3,514,952</u>	<u>4,716,418</u>
152	-	22,251	99,197	777,807
<u>2,009</u>	<u>1,777</u>	<u>(2,455)</u>	<u>13,615</u>	<u>1,201,271</u>
<u>2,161</u>	<u>1,777</u>	<u>19,796</u>	<u>112,812</u>	<u>1,979,078</u>
\$ <u><u>14,313</u></u>	\$ <u><u>5,107</u></u>	\$ <u><u>56,458</u></u>	\$ <u><u>3,627,764</u></u>	\$ <u><u>6,695,496</u></u>

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2005

	Special Trust	Public School Support	Other Grants	Venture Capital - Boulevard	District Managed Activity
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 7,245	\$ -	\$ -
Earnings on investments	2,961	-	904	-	-
Extracurricular activities	-	282,899	-	-	74,566
Classroom materials and fees	-	23,913	-	-	-
Miscellaneous	<u>69,762</u>	<u>29,763</u>	<u>1,360,685</u>	<u>-</u>	<u>6,472</u>
Total revenues	<u>72,723</u>	<u>336,575</u>	<u>1,368,834</u>	<u>-</u>	<u>81,038</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	296,082	279,359	-	-
Special	-	-	-	-	-
Vocational	-	-	28,225	-	-
Adult/continuing	-	-	15,465	-	-
Support services:					
Pupil	500	-	48,873	-	-
Instructional staff	1,251	3,976	-	-	-
Administration	-	6	366,437	-	-
Business	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	41,950	-	-	-	-
Operation of instructional service:					
Community service	2,505	-	500	-	933
Extracurricular activities	<u>5,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,812</u>
Total expenditures	<u>51,555</u>	<u>300,064</u>	<u>738,859</u>	<u>-</u>	<u>232,745</u>
Excess of revenues over (under) expenditures	<u>21,168</u>	<u>36,511</u>	<u>629,975</u>	<u>-</u>	<u>(151,707)</u>
Other financing sources (uses):					
Transfers - in	-	122,200	-	-	240,138
Transfers - out	<u>(121,199)</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>(8,077)</u>
Total other financing sources (uses)	<u>(121,199)</u>	<u>122,200</u>	<u>(1,000)</u>	<u>-</u>	<u>232,061</u>
Net change in fund balance	(100,031)	158,711	628,975	-	80,354
Fund balance (deficit) at beginning of year, restated	<u>416,623</u>	<u>38,294</u>	<u>(247,491)</u>	<u>58</u>	<u>13,680</u>
Fund balance (deficit) at end of year	\$ <u>316,592</u>	\$ <u>197,005</u>	\$ <u>381,484</u>	\$ <u>58</u>	\$ <u>94,034</u>

<u>Auxiliary Services</u>	<u>Motorcycle Safety Education</u>	<u>Educational Management Information System</u>	<u>Public School Preschool Grant</u>	<u>Entry Year Program</u>	<u>One Net Communique</u>	<u>School Net Professional Development</u>
\$ 1,815,707	\$ 2,264	\$ 21,752	\$ 150,257	\$ 12,100	\$ 42,000	\$ 6,750
36,352	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	600	-	-	-	-	-
<u>1,852,059</u>	<u>2,864</u>	<u>21,752</u>	<u>150,257</u>	<u>12,100</u>	<u>42,000</u>	<u>6,750</u>
-	-	-	53,726	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,182
-	495	-	65,531	-	-	-
-	-	258	23,022	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	52,320	-
-	-	-	1,939	-	-	-
-	-	65,099	-	-	-	-
1,751,578	7,585	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,751,578</u>	<u>8,080</u>	<u>65,357</u>	<u>144,218</u>	<u>-</u>	<u>52,320</u>	<u>1,182</u>
<u>100,481</u>	<u>(5,216)</u>	<u>(43,605)</u>	<u>6,039</u>	<u>12,100</u>	<u>(10,320)</u>	<u>5,568</u>
99,190	-	-	-	-	-	-
<u>(99,190)</u>	<u>(6,954)</u>	<u>-</u>	<u>-</u>	<u>(12,100)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(6,954)</u>	<u>-</u>	<u>-</u>	<u>(12,100)</u>	<u>-</u>	<u>-</u>
100,481	(12,170)	(43,605)	6,039	-	(10,320)	5,568
<u>223,225</u>	<u>4,062</u>	<u>149,271</u>	<u>(14,357)</u>	<u>-</u>	<u>10,320</u>	<u>4,226</u>
\$ <u>323,706</u>	\$ <u>(8,108)</u>	\$ <u>105,666</u>	\$ <u>(8,318)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>9,794</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, 2005

	Textbook Subsidy	Ohio Reads	Summer School Subsidy	Career Technical/ Adult Education
Revenues:				
Intergovernmental	\$ -	\$ 28,302	\$ 127,562	\$ 23,510
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees	-	-	-	-
Miscellaneous	-	-	-	778
Total revenues	<u>-</u>	<u>28,302</u>	<u>127,562</u>	<u>24,288</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	5,570	3,265	-
Special	-	14,940	72,681	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Support services:				
Pupil	-	2,399	723	2,991
Instructional staff	-	-	-	-
Administration	-	14,028	-	17,913
Business	-	-	-	384
Operations and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of instructional service:				
Community service	-	-	-	-
Extracurricular activities	-	1,377	-	-
Total expenditures	<u>-</u>	<u>38,314</u>	<u>76,669</u>	<u>21,288</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(10,012)</u>	<u>50,893</u>	<u>3,000</u>
Other financing sources (uses):				
Transfers - in	-	-	-	-
Transfers - out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(10,012)	50,893	3,000
Fund balance (deficit) at beginning of year, restated	<u>1,602</u>	<u>9,180</u>	<u>12,934</u>	<u>(965)</u>
Fund balance (deficit) at end of year	\$ <u><u>1,602</u></u>	\$ <u><u>(832)</u></u>	\$ <u><u>63,827</u></u>	\$ <u><u>2,035</u></u>

<u>Alternative School Grant</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>
\$ 195,564	\$ -	\$ 50,929	\$ 263,345	\$ 1,609,763	\$ 329,387
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,316	-	-	-
<u>195,564</u>	<u>-</u>	<u>53,245</u>	<u>263,345</u>	<u>1,609,763</u>	<u>329,387</u>
-	-	-	-	-	-
-	-	7,891	-	255,165	-
-	-	-	-	-	202,847
-	-	-	225,094	-	-
191,120	-	6,399	-	100,457	57,837
-	-	1,248	29,814	621,644	1,017
-	-	-	-	211,356	12,233
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	20,364	284
-	-	-	-	-	30,661
-	-	24,211	-	57,708	-
<u>12,387</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>396</u>
<u>203,507</u>	<u>-</u>	<u>39,785</u>	<u>254,908</u>	<u>1,266,694</u>	<u>305,275</u>
<u>(7,943)</u>	<u>-</u>	<u>13,460</u>	<u>8,437</u>	<u>343,069</u>	<u>24,112</u>
-	-	6,954	-	84,863	-
-	-	-	-	(84,863)	-
<u>-</u>	<u>-</u>	<u>6,954</u>	<u>-</u>	<u>-</u>	<u>-</u>
(7,943)	-	20,414	8,437	343,069	24,112
<u>2,895</u>	<u>4,358</u>	<u>7,644</u>	<u>(26,445)</u>	<u>(60,632)</u>	<u>(2,710)</u>
\$ <u>(5,048)</u>	\$ <u>4,358</u>	\$ <u>28,058</u>	\$ <u>(18,008)</u>	\$ <u>282,437</u>	\$ <u>21,402</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, 2005

	<u>Title III</u>	<u>Chinese Refugees</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
Revenues:				
Intergovernmental	\$ 6,695	\$ -	\$ 1,489,037	\$ 66,884
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>6,695</u>	<u>-</u>	<u>1,489,037</u>	<u>66,884</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	99,979	-
Special	-	-	928,349	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Support services:				
Pupil	11,353	1,351	47,333	54,319
Instructional staff	-	-	116,784	-
Administration	-	-	20,214	-
Business	-	-	-	-
Operations and maintenance of plant	-	-	-	-
Pupil transportation	-	-	9,992	-
Central	-	-	-	-
Operation of instructional service:				
Community service	-	-	70,968	12,323
Extracurricular activities	-	-	-	-
Total expenditures	<u>11,353</u>	<u>1,351</u>	<u>1,293,619</u>	<u>66,642</u>
Excess of revenues over (under) expenditures	<u>(4,658)</u>	<u>(1,351)</u>	<u>195,418</u>	<u>242</u>
Other financing sources (uses):				
Transfers - in	-	-	-	2,231
Transfers - out	-	-	-	(2,231)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,658)	(1,351)	195,418	242
Fund balance (deficit) at beginning of year, restated	<u>3,435</u>	<u>1,487</u>	<u>(140,824)</u>	<u>(2,961)</u>
Fund balance (deficit) at end of year	<u>\$ (1,223)</u>	<u>\$ 136</u>	<u>\$ 54,594</u>	<u>\$ (2,719)</u>

<u>Drug Free Schools</u>	<u>Preschool Disabilities Grant</u>	<u>Title IIA Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 35,334	\$ 49,585	\$ 503,394	\$ 2,178,102	\$ 9,015,468
-	-	-	-	40,217
-	-	-	-	357,465
-	-	-	-	23,913
-	-	-	-	1,470,376
<u>35,334</u>	<u>49,585</u>	<u>503,394</u>	<u>2,178,102</u>	<u>10,907,439</u>
3,221	-	289,028	113,823	1,144,053
-	8,261	-	-	1,287,287
-	-	-	-	231,072
-	-	-	-	240,559
26,990	37,375	-	1,884,497	2,475,699
275	-	137,231	34,688	1,013,954
-	-	-	6,000	671,467
-	-	-	-	384
-	-	-	-	52,320
-	-	-	745	33,324
-	-	-	190,414	328,124
2,728	-	-	-	1,931,039
-	-	-	23	251,380
<u>33,214</u>	<u>45,636</u>	<u>426,259</u>	<u>2,230,190</u>	<u>9,660,662</u>
<u>2,120</u>	<u>3,949</u>	<u>77,135</u>	<u>(52,088)</u>	<u>1,246,777</u>
3,996	464	4,921	2,197	567,154
<u>(3,996)</u>	<u>(464)</u>	<u>(4,921)</u>	<u>(7,197)</u>	<u>(352,192)</u>
-	-	-	(5,000)	214,962
2,120	3,949	77,135	(57,088)	1,461,739
<u>41</u>	<u>(2,172)</u>	<u>(57,339)</u>	<u>169,900</u>	<u>517,339</u>
\$ <u><u>2,161</u></u>	\$ <u><u>1,777</u></u>	\$ <u><u>19,796</u></u>	\$ <u><u>112,812</u></u>	\$ <u><u>1,979,078</u></u>

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets

Nonmajor Enterprise Funds

June 30, 2005

	<u>Food Service</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 cash equivalents	\$ 10,629	\$ 27,731	\$ 496	\$ 65,590	\$ 104,446
Accounts receivable	-	-	-	24,627	24,627
Intergovernmental receivable	37,855	-	-	-	37,855
Materials and supplies inventories	2,902	-	-	-	2,902
Inventory held for resale	<u>15,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,293</u>
Total current assets	66,679	27,731	496	90,217	185,123
Non-current assets:					
Capital assets, net of depreciation	<u>136,827</u>	<u>-</u>	<u>-</u>	<u>621,371</u>	<u>758,198</u>
Total assets	<u>203,506</u>	<u>27,731</u>	<u>496</u>	<u>711,588</u>	<u>943,321</u>
Liabilities:					
Current liabilities:					
Accrued wages and benefits	18,492	-	-	28,243	46,735
Interfund payable	711,060	-	-	-	711,060
Intergovernmental payable	61,043	-	-	50,522	111,565
Current portion of accrued compensated absences	<u>3,099</u>	<u>-</u>	<u>-</u>	<u>3,361</u>	<u>6,460</u>
Total current liabilities	793,694	-	-	82,126	875,820
Non-current liabilities:					
Accrued compensated absences	<u>41,171</u>	<u>-</u>	<u>-</u>	<u>44,657</u>	<u>85,828</u>
Total liabilities	<u>834,865</u>	<u>-</u>	<u>-</u>	<u>126,783</u>	<u>961,648</u>
Net assets:					
Investment in capital assets, net of related debt	136,827	-	-	621,371	758,198
Unreserved (deficit)	<u>(768,186)</u>	<u>27,731</u>	<u>496</u>	<u>(36,566)</u>	<u>(776,525)</u>
Total net assets (deficit)	\$ <u>(631,359)</u>	\$ <u>27,731</u>	\$ <u>496</u>	\$ <u>584,805</u>	\$ <u>(18,327)</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, 2005

	Food Service	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Operating revenues:					
Intergovernmental	\$ 218,838	\$ -	\$ -	\$ -	\$ 218,838
Tuition and fees	-	-	-	890,313	890,313
Classroom materials and fees	-	53,602	-	-	53,602
Food services	545,521	-	-	-	545,521
Miscellaneous	-	20,028	20,032	-	40,060
Total operating revenues	<u>764,359</u>	<u>73,630</u>	<u>20,032</u>	<u>890,313</u>	<u>1,748,334</u>
Operating expenses:					
Salaries and wages	784,979	-	-	602,420	1,387,399
Fringe benefits	309,893	-	-	131,406	441,299
Contractual services	68,009	249	19,084	5,215	92,557
Materials and supplies	1,092,248	85,454	221	33,537	1,211,460
Capital outlay	695	-	-	4,398	5,093
Other expenses	3,729	926	231	-	4,886
Depreciation	15,626	-	-	14,412	30,038
Total operating expenses	<u>2,275,179</u>	<u>86,629</u>	<u>19,536</u>	<u>791,388</u>	<u>3,172,732</u>
Operating income (loss)	<u>(1,510,820)</u>	<u>(12,999)</u>	<u>496</u>	<u>98,925</u>	<u>(1,424,398)</u>
Non-operating revenues:					
Federal donated commodities	126,096	-	-	-	126,096
Operating grants	1,261,563	-	-	-	1,261,563
Total non-operating revenues	<u>1,387,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,387,659</u>
Net income (loss)	(123,161)	(12,999)	496	98,925	(36,739)
Net assets (deficit) at beginning of year, restated	<u>(508,198)</u>	<u>40,730</u>	<u>-</u>	<u>485,880</u>	<u>18,412</u>
Net assets (deficit) at end of year	\$ <u>(631,359)</u>	\$ <u>27,731</u>	\$ <u>496</u>	\$ <u>584,805</u>	\$ <u>(18,327)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For The Fiscal Year Ended June 30, 2005

	<u>Food Service</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	\$ 968,075	\$ 53,737	\$ -	\$ 883,878	\$ 1,905,690
Cash received from other operating sources	-	20,028	20,032	-	40,060
Cash payments for supplies for goods and services	(1,003,623)	(85,703)	(19,305)	(43,875)	(1,152,506)
Cash payments for employees for services	(787,046)	-	-	(600,851)	(1,387,897)
Cash payments for employee benefits	(351,815)	-	-	(179,827)	(531,642)
Cash payments for other	(3,729)	(926)	(231)	-	(4,886)
<i>Net cash provided by (used for) operating activities</i>	<u>(1,178,138)</u>	<u>(12,864)</u>	<u>496</u>	<u>59,325</u>	<u>(1,131,181)</u>
Cash flows from noncapital financing activities:					
Operating grants received	1,259,803	-	-	-	1,259,803
Advances - in	377,892	-	-	-	377,892
Advances - out	(450,560)	-	-	-	(450,560)
<i>Net cash provided by noncapital financing</i>	<u>1,187,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,135</u>
Net increase (decrease) in cash and cash equivalents	8,997	(12,864)	496	59,325	55,954
Cash and cash equivalents at beginning of year	<u>1,632</u>	<u>40,595</u>	<u>-</u>	<u>6,265</u>	<u>48,492</u>
Cash and cash equivalents at end of year	\$ <u><u>10,629</u></u>	\$ <u><u>27,731</u></u>	\$ <u><u>496</u></u>	\$ <u><u>65,590</u></u>	\$ <u><u>104,446</u></u>
Non-cash noncapital financing activities:					
Federal donated commodities	\$ <u><u>126,096</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>126,096</u></u>

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For The Fiscal Year Ended June 30, 2005

	<u>Food Service</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 income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (1,510,820)	\$ (12,999)	\$ 496	\$ 98,925	\$ (1,424,398)
Adjustments:					
Depreciation	15,626	-	-	14,412	30,038
Federal donated commodities	126,096	-	-	-	126,096
Changes in assets/liabilities:					
(Increase) decrease in accounts receivable	-	135	-	(6,435)	(6,300)
Decrease in intergovernmental receivable	203,716	-	-	-	203,716
Decrease in materials and supplies inventories	628	-	-	-	628
Decrease in inventory held for resale	31,979	-	-	-	31,979
Decrease in accounts payable	(1,374)	-	-	(725)	(2,099)
Increase (decrease) in accrued wages and benefits	(1,077)	-	-	1,569	492
Increase in accrued compensated absences	12,351	-	-	4,751	17,102
Decrease in intergovernmental payable	<u>(55,263)</u>	<u>-</u>	<u>-</u>	<u>(53,172)</u>	<u>(108,435)</u>
Total adjustments	<u>332,682</u>	<u>135</u>	<u>-</u>	<u>(39,600)</u>	<u>293,217</u>
Net cash used for operating activities	\$ <u>(1,178,138)</u>	\$ <u>(12,864)</u>	\$ <u>496</u>	\$ <u>59,325</u>	\$ <u>(1,131,181)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets Nonmajor Internal Service Funds

For The Fiscal Year Ended June 30, 2005

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ <u>523,607</u>	\$ <u>903,985</u>	\$ <u>1,427,592</u>
Liabilities:			
Current liabilities:			
Accrued wages and benefits	2,582	-	2,582
Intergovernmental payable	1,671	-	1,671
Claims payable	<u>140,700</u>	<u>-</u>	<u>140,700</u>
Total liabilities	<u>144,953</u>	<u>-</u>	<u>144,953</u>
Net assets:			
Unreserved	\$ <u><u>378,654</u></u>	\$ <u><u>903,985</u></u>	\$ <u><u>1,282,639</u></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, 2005

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Claims	\$ 1,378,805	\$ -	\$ 1,378,805
Miscellaneous	<u>-</u>	<u>933,911</u>	<u>933,911</u>
Total operating revenues	<u>1,378,805</u>	<u>933,911</u>	<u>2,312,716</u>
Operating expenses:			
Salaries and wages	32,995	-	32,995
Fringe benefits	1,839,565	499,333	2,338,898
Contractual services	<u>92,899</u>	<u>22,423</u>	<u>115,322</u>
Total operating expenses	<u>1,965,459</u>	<u>521,756</u>	<u>2,487,215</u>
Operating income (loss)	(586,654)	412,155	(174,499)
Net assets at beginning of year, restated	<u>965,308</u>	<u>491,830</u>	<u>1,457,138</u>
Net assets at end of year	\$ <u><u>378,654</u></u>	\$ <u><u>903,985</u></u>	\$ <u><u>1,282,639</u></u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Internal Service Funds

For The Fiscal Year Ended June 30, 2005

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Increase (decrease) in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from customers	\$ 1,391,631	\$ -	\$ 1,391,631
Cash received for claims	-	933,911	933,911
Cash payments to suppliers for goods and services	(98,316)	(22,423)	(120,739)
Cash payments to employees for services	(33,168)	(709,242)	(742,410)
Cash payments for claims	<u>(1,839,565)</u>	<u>-</u>	<u>(1,839,565)</u>
Net cash provided by (used for) operating activities	<u>(579,418)</u>	<u>202,246</u>	<u>(377,172)</u>
Net increase (decrease) in cash and cash equivalents	(579,418)	202,246	(377,172)
Cash and cash equivalents at beginning of year	<u>1,103,025</u>	<u>701,739</u>	<u>1,804,764</u>
Cash and cash equivalents at end of year	\$ <u><u>523,607</u></u>	\$ <u><u>903,985</u></u>	\$ <u><u>1,427,592</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (586,654)	\$ 412,155	\$ (174,499)
Adjustments:			
Changes in assets/liabilities:			
Decrease in accounts receivable	4	-	4
Decrease in accounts payable	(5,417)	-	(5,417)
Increase in accrued wages and benefits	299	-	299
Increase in intergovernmental payable	550	-	550
Increase (decrease) in claims payable	<u>11,800</u>	<u>(209,909)</u>	<u>(198,109)</u>
Total adjustments	<u>7,236</u>	<u>(209,909)</u>	<u>(202,673)</u>
Net cash provided by (used for) operating activities	\$ <u><u>(579,418)</u></u>	\$ <u><u>202,246</u></u>	\$ <u><u>(377,172)</u></u>

Cleveland Heights-University Heights City School District

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Fiscal Year Ended June 30, 2005

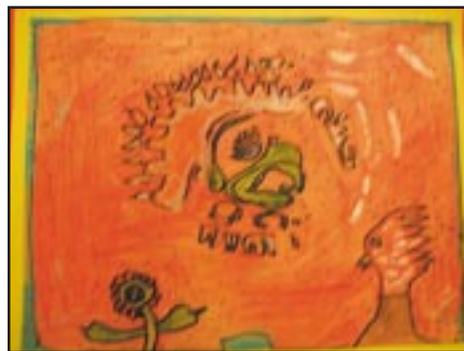
	<u>Balance</u> <u>06/30/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/05</u>
Student activities:				
Assets:				
Equity in pooled cash and cash equivalents	\$ 124,928	\$ 131,621	\$ 130,235	\$ 126,314
Accounts receivable	<u>2,741</u>	<u>-</u>	<u>2,741</u>	<u>-</u>
Total assets	<u>\$ 127,669</u>	<u>\$ 131,621</u>	<u>\$ 132,976</u>	<u>\$ 126,314</u>
Liabilities:				
Accounts payable	\$ 2,657	\$ 4,240	\$ 2,657	\$ 4,240
Intergovernmental payable	41	-	41	-
Due to students	<u>124,971</u>	<u>-</u>	<u>2,897</u>	<u>122,074</u>
Total liabilities	<u>\$ 127,669</u>	<u>\$ 4,240</u>	<u>\$ 5,595</u>	<u>\$ 126,314</u>

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

EMILY KESEGICH
Grade 4,
Canterbury
Elementary School



ZEKIEL DYE
Grade 2, Boulevard Elementary School



ELIEZER REGALADO
Grade 3, Oxford Elementary School



TAYLOR TAMANG
Grade 3, Boulevard 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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 55,377,000	\$ 57,165,539	\$ 57,165,539	\$ -
Intergovernmental	27,791,000	30,509,146	30,509,146	-
Tuition and fees	1,572,500	1,034,325	1,034,325	-
Transportation fees	75,000	63,252	63,252	-
Earnings on investments	250,000	338,036	338,036	-
Classroom materials and fees	-	421	421	-
Miscellaneous	103,000	395,766	395,766	-
Total revenues	<u>85,168,500</u>	<u>89,506,485</u>	<u>89,506,485</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	24,254,821	24,254,821	24,505,787	(250,966)
Employee benefits	7,488,257	7,488,257	8,504,239	(1,015,982)
Purchased services	255,383	255,730	132,086	123,644
Supplies and materials	462,926	464,076	389,577	74,499
Capital outlay	18,935	17,589	16,302	1,287
Capital outlay - replacement	10,950	12,130	11,970	160
Other	37,270	40,653	23,685	16,968
Total regular	<u>32,528,542</u>	<u>32,533,256</u>	<u>33,583,646</u>	<u>(1,050,390)</u>
Special:				
Salaries and wages	5,207,223	5,209,873	5,140,439	69,434
Employee benefits	2,005,218	2,005,218	2,005,013	205
Purchased services	100,247	102,241	86,137	16,104
Supplies and materials	43,222	51,746	34,977	16,769
Capital outlay	3,500	5,385	5,465	(80)
Capital outlay - replacement	9,015	8,427	3,698	4,729
Other	3,950	1,767	1,362	405
Total special	<u>7,372,375</u>	<u>7,384,657</u>	<u>7,277,091</u>	<u>107,566</u>
Vocational education:				
Salaries and wages	1,084,300	1,084,300	1,085,559	(1,259)
Employee benefits	407,400	407,400	406,923	477
Purchased services	2,387	3,899	3,110	789
Supplies and materials	39,998	48,716	39,472	9,244
Capital outlay	4,290	2,125	1,315	810
Capital outlay - replacement	1,885	-	-	-
Other	-	149	149	-
Total vocational education	<u>1,540,260</u>	<u>1,546,589</u>	<u>1,536,528</u>	<u>10,061</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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult/continuing:				
Salaries and wages	-	-	10,806	(10,806)
Employee benefits	-	-	2,079	(2,079)
Total adult/continuing	-	-	12,885	(12,885)
Other:				
Purchased services	2,799,917	2,820,831	2,095,893	724,938
Other	-	44,198	44,243	(45)
Total other	2,799,917	2,865,029	2,140,136	724,893
Total instruction	44,241,094	44,329,531	44,550,286	(220,755)
Supporting services:				
Pupils:				
Salaries and wages	4,869,224	4,869,224	5,009,409	(140,185)
Employee benefits	1,823,137	1,823,137	1,866,535	(43,398)
Purchased services	330,239	344,473	273,648	70,825
Supplies and materials	79,060	81,493	52,404	29,089
Capital outlay	4,700	3,700	500	3,200
Capital outlay - replacement	18,100	14,579	9,494	5,085
Other	2,975	3,329	1,253	2,076
Total pupils	7,127,435	7,139,935	7,213,243	(73,308)
Instructional staff:				
Salaries and wages	2,058,931	2,111,272	1,962,274	148,998
Employee benefits	846,522	846,804	808,070	38,734
Purchased services	253,363	305,837	153,165	152,672
Supplies and materials	1,392,535	1,400,712	988,674	412,038
Capital outlay	37,162	39,140	16,840	22,300
Capital outlay - replacement	46,814	47,358	11,722	35,636
Other	14,539	14,974	9,939	5,035
Total instructional staff	4,649,866	4,766,097	3,950,684	815,413
Board of education:				
Salaries and wages	25,000	25,000	14,860	10,140
Employee benefits	222,780	222,780	201,900	20,880
Purchased services	698,235	696,335	394,631	301,704
Supplies and materials	1,900	3,800	3,223	577
Other	7,500	7,500	6,964	536
Total board of education	955,415	955,415	621,578	333,837

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, 2005

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Administration:				
Salaries and wages	3,401,328	3,401,328	3,620,919	(219,591)
Employee benefits	1,282,163	1,282,163	1,423,368	(141,205)
Purchased services	128,033	187,764	136,387	51,377
Supplies and materials	216,837	261,235	214,276	46,959
Capital outlay	90,119	68,776	7,694	61,082
Capital outlay - replacement	26,737	37,188	28,585	8,603
Other	28,974	35,020	23,315	11,705
Total administration	<u>5,174,191</u>	<u>5,273,474</u>	<u>5,454,544</u>	<u>(181,070)</u>
Fiscal services:				
Salaries and wages	538,868	538,868	562,248	(23,380)
Employee benefits	233,482	233,482	233,742	(260)
Purchased services	294,984	343,484	202,368	141,116
Supplies and materials	49,329	37,329	18,376	18,953
Capital outlay	2,000	2,000	-	2,000
Capital outlay - replacement	20,412	20,412	8,197	12,215
Other	900,418	917,768	917,080	688
Total fiscal services	<u>2,039,493</u>	<u>2,093,343</u>	<u>1,942,011</u>	<u>151,332</u>
Business:				
Salaries and wages	252,785	252,785	301,314	(48,529)
Employee benefits	122,538	122,538	128,342	(5,804)
Purchased services	1,776,078	1,767,467	1,448,513	318,954
Supplies and materials	145,559	140,559	90,534	50,025
Capital outlay	3,000	3,000	-	3,000
Capital outlay - replacement	2,500	16,111	14,537	1,574
Other	460,269	460,269	348,760	111,509
Total business	<u>2,762,729</u>	<u>2,762,729</u>	<u>2,332,000</u>	<u>430,729</u>
Operations and maintenance - plant:				
Salaries and wages	3,909,472	3,909,472	3,711,195	198,277
Employee benefits	1,819,997	1,819,997	1,854,983	(34,986)
Purchased services	3,899,078	3,973,439	2,690,561	1,282,878
Supplies and materials	953,816	944,957	616,693	328,264
Capital outlay	75,325	91,325	76,258	15,067
Capital outlay - replacement	225,717	216,271	174,282	41,989
Other	38,946	38,946	36,355	2,591
Total operations and maintenance - plant	<u>10,922,351</u>	<u>10,994,407</u>	<u>9,160,327</u>	<u>1,834,080</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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Salaries and wages	1,182,375	1,182,375	1,433,734	(251,359)
Employee benefits	598,891	598,891	700,131	(101,240)
Purchased services	564,445	565,395	506,007	59,388
Supplies and materials	415,696	375,136	282,587	92,549
Capital outlay	8,000	3,386	-	3,386
Capital outlay - replacement	5,000	1,675	475	1,200
Other	1,200	1,250	1,235	15
Total pupil transportation	<u>2,775,607</u>	<u>2,728,108</u>	<u>2,924,169</u>	<u>(196,061)</u>
Central:				
Salaries and wages	1,127,575	1,169,680	1,119,102	50,578
Employee benefits	474,994	474,994	468,283	6,711
Purchased services	790,763	735,301	643,813	91,488
Supplies and materials	108,979	152,235	137,919	14,316
Capital outlay	44,081	37,327	34,832	2,495
Capital outlay - replacement	62,800	39,854	26,573	13,281
Other	11,735	11,535	8,511	3,024
Total central	<u>2,620,927</u>	<u>2,620,926</u>	<u>2,439,033</u>	<u>181,893</u>
Total supporting services	<u>39,028,014</u>	<u>39,334,434</u>	<u>36,037,589</u>	<u>3,296,845</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	300	6,863	605	6,258
Employee benefits	-	1,120	-	1,120
Purchased services	21,900	30,084	9,970	20,114
Supplies and materials	3,650	2,450	1,917	533
Total community services	<u>25,850</u>	<u>40,517</u>	<u>12,492</u>	<u>28,025</u>
Other operation of non-instructional services:				
Salaries and wages	30,968	30,968	30,968	-
Employee benefits	7,097	7,097	7,462	(365)
Purchased services	6,290	9,390	4,018	5,372
Supplies and materials	6,925	5,800	3,204	2,596
Other	1,125	1,150	889	261
Total other operation of non-instructional services	<u>52,405</u>	<u>54,405</u>	<u>46,541</u>	<u>7,864</u>
Total operation of non-instructional services	<u>78,255</u>	<u>94,922</u>	<u>59,033</u>	<u>35,889</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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	424,491	424,491	134,073	290,418
Employee benefits	4,194	4,194	21,910	(17,716)
Total academic and subject oriented	<u>428,685</u>	<u>428,685</u>	<u>155,983</u>	<u>272,702</u>
Occupation oriented:				
Salaries and wages	1,101	1,101	3,853	(2,752)
Employee benefits	188	188	600	(412)
Total occupation oriented	<u>1,289</u>	<u>1,289</u>	<u>4,453</u>	<u>(3,164)</u>
Sports oriented:				
Salaries and wages	373,627	373,627	590,541	(216,914)
Employee benefits	104,590	104,590	142,888	(38,298)
Total sports oriented	<u>478,217</u>	<u>478,217</u>	<u>733,429</u>	<u>(255,212)</u>
Co-curricular activities:				
Salaries and wages	4,129	4,129	53,067	(48,938)
Employee benefits	707	707	7,958	(7,251)
Total co-curricular activities	<u>4,836</u>	<u>4,836</u>	<u>61,025</u>	<u>(56,189)</u>
Total extracurricular activities	<u>913,027</u>	<u>913,027</u>	<u>954,890</u>	<u>(41,863)</u>
Total expenditures	<u>84,260,390</u>	<u>84,671,914</u>	<u>81,601,798</u>	<u>3,070,116</u>
Excess of revenues over (under) expenditures	<u>908,110</u>	<u>4,834,571</u>	<u>7,904,687</u>	<u>3,070,116</u>
Other financing sources (uses):				
Transfers - in	-	17,099	17,099	-
Advances - in	1,700,500	1,700,405	1,700,405	-
Refund of prior year's expenditures	-	3,784	3,789	5
Transfers - out	(1,121,000)	(1,121,000)	(428,561)	692,439
Advances - out	-	-	(933,655)	(933,655)
Other miscellaneous use of funds	(300,000)	(174,560)	-	174,560
Total other financing sources (uses)	<u>279,500</u>	<u>425,728</u>	<u>359,077</u>	<u>(66,651)</u>
Net change in fund balance	1,187,610	5,260,299	8,263,764	3,003,465
Fund balance at beginning of year	1,122,647	1,122,647	1,122,647	-
Prior year encumbrances appropriated	<u>3,434,570</u>	<u>3,434,570</u>	<u>3,434,570</u>	-
Fund balance at end of year	\$ <u>5,744,827</u>	\$ <u>9,817,516</u>	\$ <u>12,820,981</u>	\$ <u>3,003,465</u>

Cleveland Heights-University Heights City School District

Bond Retirement - 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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 752,588	\$ 694,643	\$ 694,643	\$ -
Intergovernmental	-	76,068	76,068	-
Total revenues	<u>752,588</u>	<u>770,711</u>	<u>770,711</u>	<u>-</u>
Expenditures:				
Debt service:				
Principal retirement	910,000	910,000	910,000	-
Interest and fiscal charges	<u>620,000</u>	<u>620,000</u>	<u>596,144</u>	<u>23,856</u>
Total expenditures	<u>1,530,000</u>	<u>1,530,000</u>	<u>1,506,144</u>	<u>23,856</u>
Excess of revenues over (under) expenditures	(777,412)	(759,289)	(735,433)	23,856
Other financing sources (uses):				
Transfers - in	<u>821,412</u>	<u>848,351</u>	<u>848,353</u>	<u>2</u>
Net change in fund balance	44,000	89,062	112,920	23,858
Fund balance at beginning of year	<u>97,414</u>	<u>97,414</u>	<u>97,414</u>	<u>-</u>
Fund balance at end of year	\$ <u>141,414</u>	\$ <u>186,476</u>	\$ <u>210,334</u>	\$ <u>23,858</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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,746,058	\$ 3,338,504	\$ 3,338,504	\$ -
Intergovernmental	3,942	397,614	397,614	-
Total revenues	<u>3,750,000</u>	<u>3,736,118</u>	<u>3,736,118</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services:				
Operation and maintenance of plant services:				
Purchased services	549,661	866,533	712,069	154,464
Supplies and materials	-	10,998	5,028	5,970
Capital outlay	<u>7,460,871</u>	<u>9,623,160</u>	<u>6,557,597</u>	<u>3,065,563</u>
Total support services	<u>8,010,532</u>	<u>10,500,691</u>	<u>7,274,694</u>	<u>3,225,997</u>
Total expenditures	<u>8,011,282</u>	<u>10,500,691</u>	<u>7,274,694</u>	<u>3,225,997</u>
Excess of revenues over (under) expenditures	(4,261,282)	(6,764,573)	(3,538,576)	3,225,997
Other financing sources (uses):				
Transfers - out	<u>(1,839,938)</u>	<u>(700,378)</u>	<u>(679,353)</u>	<u>21,025</u>
Net change in fund balance	(6,101,220)	(7,464,951)	(4,217,929)	3,247,022
Fund balance at beginning of year	1,539,616	1,539,616	1,539,616	-
Prior year encumbrances appropriated	<u>6,131,020</u>	<u>6,131,020</u>	<u>6,131,020</u>	<u>-</u>
Fund balance at end of year	\$ <u>1,569,416</u>	\$ <u>205,685</u>	\$ <u>3,452,707</u>	\$ <u>3,247,022</u>

Cleveland Heights-University Heights City School District

Bellefaire General Rotary Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition	\$ 3,200,000	\$ 3,038,847	\$ 3,038,847	\$ -
Miscellaneous	-	120	120	-
Intergovernmental	750,000	705,308	705,308	-
Total revenues	<u>3,950,000</u>	<u>3,744,275</u>	<u>3,744,275</u>	<u>-</u>
Expenses:				
Salaries and wages:				
Regular instruction	140,650	140,650	142,130	(1,480)
Special instruction	978,223	978,223	954,385	23,838
Support services - pupils	257,035	257,035	253,830	3,205
Support services - instruction	26,500	28,935	27,058	1,877
Support services - administration	164,848	164,847	165,870	(1,023)
Total salaries and wages	<u>1,567,256</u>	<u>1,569,690</u>	<u>1,543,273</u>	<u>26,417</u>
Fringe benefits:				
Regular instruction	45,778	45,778	53,924	(8,146)
Special instruction	384,093	384,093	369,961	14,132
Support services - pupils	101,028	101,028	97,908	3,120
Support services - instruction	12,330	12,330	10,826	1,504
Support services - administration	60,109	60,109	58,082	2,027
Total fringe benefits	<u>603,338</u>	<u>603,338</u>	<u>590,701</u>	<u>12,637</u>
Purchased services:				
Special instruction	611,437	610,436	383,631	226,805
Support services - pupils	480	480	-	480
Support services - instruction	267	1,132	-	1,132
Total purchased services	<u>612,184</u>	<u>612,048</u>	<u>383,631</u>	<u>228,417</u>
Supplies and materials:				
Special instruction	55,070	63,069	48,687	14,382
Support services - pupils	800	800	300	500
Support services - instruction	2,595	3,296	2,143	1,153
Total supplies and materials	<u>58,465</u>	<u>67,165</u>	<u>51,130</u>	<u>16,035</u>
Capital outlay:				
Special instruction	11,000	6,000	1,200	4,800
Support services - instruction	1,200	1,200	1,200	-
Total capital outlay	<u>12,200</u>	<u>7,200</u>	<u>2,400</u>	<u>4,800</u>
Other:				
Special instruction	8,034	6,034	3,824	2,210
Total expenses	<u>2,861,477</u>	<u>2,865,475</u>	<u>2,574,959</u>	<u>290,516</u>

Continued

Cleveland Heights-University Heights City School District

Bellefaire General Rotary Fund (continued)

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenses	1,088,523	878,800	1,169,316	290,516
Other financing sources (uses):				
Advances - out	<u>(125,133)</u>	<u>(250,266)</u>	<u>(125,133)</u>	<u>125,133</u>
Net change in fund equity	963,390	628,534	1,044,183	415,649
Fund equity at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>62,552</u>	<u>62,552</u>	<u>62,552</u>	<u>-</u>
Fund equity at end of year	\$ <u>1,025,942</u>	\$ <u>691,086</u>	\$ <u>1,106,735</u>	\$ <u>415,649</u>

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$ 2,747	\$ 2,961	\$ 2,961	\$ -
Miscellaneous	42,694	38,259	38,259	-
Total revenues	<u>45,441</u>	<u>41,220</u>	<u>41,220</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	500	500	-	500
Supplies and materials	<u>1,266</u>	<u>1,303</u>	<u>-</u>	<u>1,303</u>
Total regular	<u>1,766</u>	<u>1,803</u>	<u>-</u>	<u>1,803</u>
Support services:				
Pupils:				
Other	<u>12,875</u>	<u>13,246</u>	<u>500</u>	<u>12,746</u>
Instructional staff:				
Purchased services	<u>1,953</u>	<u>1,994</u>	<u>1,251</u>	<u>743</u>
Central services:				
Purchased services	<u>25,371</u>	<u>25,371</u>	<u>41,950</u>	<u>(16,579)</u>
Total support services	<u>40,199</u>	<u>40,611</u>	<u>43,701</u>	<u>(3,090)</u>
Non-instructional services:				
Community service:				
Purchased services	26,091	26,090	-	26,090
Supplies and materials	21,980	22,017	-	22,017
Other	<u>47,060</u>	<u>49,904</u>	<u>4,258</u>	<u>45,646</u>
Total non-instructional services	<u>95,131</u>	<u>98,011</u>	<u>4,258</u>	<u>93,753</u>
Extracurricular activities:				
Other	<u>28,711</u>	<u>29,287</u>	<u>5,349</u>	<u>23,938</u>
Total expenditures	<u>165,807</u>	<u>169,712</u>	<u>53,308</u>	<u>116,404</u>
Excess of revenues over (under) expenditures	<u>(120,366)</u>	<u>(128,492)</u>	<u>(12,088)</u>	<u>116,404</u>
Other financing sources (uses):				
Refund of prior year expenditure	253	32,703	32,703	-
Transfers - out	<u>(40,847)</u>	<u>(40,847)</u>	<u>(121,199)</u>	<u>(80,352)</u>
Total other financing sources (uses)	<u>(40,594)</u>	<u>(8,144)</u>	<u>(88,496)</u>	<u>(80,352)</u>
Net change in fund balance	(160,960)	(136,636)	(100,584)	36,052
Fund balance at beginning of year	407,444	407,444	407,444	-
Prior year encumbrances appropriated	<u>9,732</u>	<u>9,732</u>	<u>9,732</u>	<u>-</u>
Fund balance at end of year	\$ <u>256,216</u>	\$ <u>280,540</u>	\$ <u>316,592</u>	\$ <u>36,052</u>

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Transportation fees	\$ 5,000	\$ -	\$ -	\$ -
Classroom materials and fees	50,200	23,740	23,913	173
Extracurricular activities	318,779	281,877	283,937	2,060
Miscellaneous	103,638	32,145	32,380	235
Total revenues	<u>477,617</u>	<u>337,762</u>	<u>340,230</u>	<u>2,468</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	1,500	3,100	2,417	683
Employee benefits	450	450	406	44
Purchased services	190,345	214,256	146,082	68,174
Supplies and materials	169,245	163,553	90,394	73,159
Capital outlay	3,997	8,157	8,142	15
Other	74,879	66,733	49,574	17,159
Total instruction	<u>440,416</u>	<u>456,249</u>	<u>297,015</u>	<u>159,234</u>
Support services:				
Instructional staff:				
Salaries and wages	2,554	2,554	-	2,554
Purchased services	13,812	13,828	3,976	9,852
Total instructional staff	<u>16,366</u>	<u>16,382</u>	<u>3,976</u>	<u>12,406</u>
Business:				
Supplies and materials	580	580	-	580
Total support services	<u>16,946</u>	<u>16,962</u>	<u>3,976</u>	<u>12,986</u>
Total expenditures	<u>457,362</u>	<u>473,211</u>	<u>300,991</u>	<u>172,220</u>
Excess of revenues over (under) expenditures	20,255	(135,449)	39,239	174,688
Other financing sources (uses):				
Transfers - in	250	121,312	122,199	887
Net change in fund balance	20,505	(14,137)	161,438	175,575
Fund balance at beginning of year	15,294	15,294	15,294	-
Prior year encumbrances appropriated	20,412	20,412	20,412	-
Fund balance at end of year	\$ <u>56,211</u>	\$ <u>21,569</u>	\$ <u>197,144</u>	\$ <u>175,575</u>

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investment	\$ 1	\$ 1,453	\$ 905	\$ (548)
Intergovernmental	263	11,634	7,245	(4,389)
Classroom and materials	3,855	80	50	(30)
Miscellaneous	<u>1,639,743</u>	<u>1,753,522</u>	<u>1,092,035</u>	<u>(661,487)</u>
Total revenues	<u>1,643,862</u>	<u>1,766,689</u>	<u>1,100,235</u>	<u>(666,454)</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction:				
Salaries and wages	239,704	253,822	144,991	108,831
Employee benefits	67,558	70,599	40,992	29,607
Purchased services	198,726	205,856	50,690	155,166
Supplies and materials	266,014	153,799	46,904	106,895
Capital outlay	14,122	144,122	-	144,122
Other	<u>10,542</u>	<u>547</u>	<u>-</u>	<u>547</u>
Total regular	<u>796,666</u>	<u>828,745</u>	<u>283,577</u>	<u>545,168</u>
Special instruction:				
Purchased services	70	70	-	70
Supplies and materials	<u>215</u>	<u>218</u>	<u>-</u>	<u>218</u>
Total special	<u>285</u>	<u>288</u>	<u>-</u>	<u>288</u>
Vocational education:				
Salaries and wages	218	1,500	1,500	-
Employee benefits	3	263	257	6
Purchased services	1,040	-	-	-
Supplies and materials	6,193	15,418	10,171	5,247
Capital outlay	-	9,773	8,724	1,049
Other	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total vocational education	<u>7,454</u>	<u>32,954</u>	<u>26,652</u>	<u>6,302</u>
Adult/continuing:				
Salaries and wages	166	3,983	3,003	980
Employee benefits	243	459	514	(55)
Supplies and materials	<u>13,662</u>	<u>16,326</u>	<u>1,965</u>	<u>14,361</u>
Total adult/continuing	<u>14,071</u>	<u>20,768</u>	<u>5,482</u>	<u>15,286</u>
Total instruction	<u>818,476</u>	<u>882,755</u>	<u>315,711</u>	<u>567,044</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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services:				
Pupil:				
Salaries and wages	166	1,102	1,176	(74)
Employee benefits	109	187	201	(14)
Purchased services	97,089	98,106	25,946	72,160
Supplies and materials	10,841	24,246	8,712	15,534
Capital outlay	6,163	19,762	7,170	12,592
Other	460	6,760	-	6,760
Total pupil	<u>114,828</u>	<u>150,163</u>	<u>43,205</u>	<u>106,958</u>
Instructional staff:				
Salaries and wages	670	-	-	-
Employee benefits	6	-	-	-
Purchased services	628	-	-	-
Supplies and materials	3,887	183	-	183
Total instructional staff	<u>5,191</u>	<u>183</u>	<u>-</u>	<u>183</u>
Administrative:				
Salaries and wages	274,197	274,197	265,259	8,938
Employee benefits	75,199	75,199	89,362	(14,163)
Purchased services	35,002	36,602	587	36,015
Supplies and materials	2,058	4,863	2,699	2,164
Other	-	20	20	-
Total administrative	<u>386,456</u>	<u>390,881</u>	<u>357,927</u>	<u>32,954</u>
Business:				
Purchased services	28,500	28,500	-	28,500
Supplies and materials	1,500	1,500	-	1,500
Total business	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Operation and maintenance of plant services:				
Supplies and materials	6,235	5,895	2,686	3,209
Other	1,150	1,490	506	984
Total operation and maintenance of plant services	<u>7,385</u>	<u>7,385</u>	<u>3,192</u>	<u>4,193</u>
Pupil transportation:				
Purchased services	-	4,940	-	4,940

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	48,000	-	-	-
Purchased services	16,500	-	-	-
Total central	<u>64,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support services	<u>608,360</u>	<u>583,552</u>	<u>404,324</u>	<u>179,228</u>
Operation of non-instructional services:				
Community services:				
Purchased services	2,114	2,114	1,000	1,114
Supplies and materials	1,465	2,074	-	2,074
Other	<u>39,798</u>	<u>40,634</u>	<u>500</u>	<u>40,134</u>
Total operation of non-instructional services	<u>43,377</u>	<u>44,822</u>	<u>1,500</u>	<u>43,322</u>
Extracurricular activities:				
Other	<u>2,000</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total expenditures	<u>1,472,213</u>	<u>1,511,130</u>	<u>721,535</u>	<u>789,595</u>
Excess of revenues over (under) expenditures	<u>171,649</u>	<u>255,559</u>	<u>378,700</u>	<u>123,141</u>
Other financing sources (uses):				
Transfers - out	(989)	(1,989)	(1,000)	989
Advances - out	<u>-</u>	<u>(604,980)</u>	<u>(604,980)</u>	<u>-</u>
Total other financing sources (uses)	<u>(989)</u>	<u>(606,969)</u>	<u>(605,980)</u>	<u>989</u>
Net change in fund balance	170,660	(351,410)	(227,280)	124,130
Fund balance at beginning of year	333,697	333,697	333,697	-
Prior year encumbrances appropriated	<u>29,715</u>	<u>29,715</u>	<u>29,715</u>	<u>-</u>
Fund balance at end of year	\$ <u>534,072</u>	\$ <u>12,002</u>	\$ <u>136,132</u>	\$ <u>124,130</u>

Cleveland Heights-University Heights City School District

Venture Capital - Boulevard Fund

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

For The Fiscal Year Ended June 30, 2005

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

Cleveland Heights-University Heights City School District

District Managed Activity Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 215,766	\$ 75,029	\$ 75,029	\$ -
Miscellaneous	278,125	6,472	6,472	-
Total revenues	<u>493,891</u>	<u>81,501</u>	<u>81,501</u>	<u>-</u>
Expenditures:				
Current:				
Operations of non-instructional services:				
Community services:				
Purchased services	230	-	-	-
Supplies and materials	885	995	565	430
Other	320	440	369	71
Total operations of non-instructional services	<u>1,435</u>	<u>1,435</u>	<u>934</u>	<u>501</u>
Extracurricular activities:				
Salaries and wages	15,450	12,050	28,644	(16,594)
Employee benefits	5,800	5,800	4,204	1,596
Purchased services	192,092	210,724	116,490	94,234
Supplies and materials	173,539	85,089	58,695	26,394
Capital outlay	20,500	1,900	827	1,073
Other	70,219	1,768	22,812	(21,044)
Total extracurricular activities	<u>477,600</u>	<u>317,331</u>	<u>231,672</u>	<u>85,659</u>
Total expenditures	<u>479,035</u>	<u>318,766</u>	<u>232,606</u>	<u>86,160</u>
Excess of revenues over (under) expenditures	<u>14,856</u>	<u>(237,265)</u>	<u>(151,105)</u>	<u>86,160</u>
Other financing sources (uses):				
Transfers - in	-	240,138	240,138	-
Transfers - out	-	(15,138)	(8,077)	7,061
Total other financing sources (uses)	<u>-</u>	<u>225,000</u>	<u>232,061</u>	<u>7,061</u>
Net change in fund balance	14,856	(12,265)	80,956	93,221
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>14,089</u>	<u>14,089</u>	<u>14,089</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>28,945</u></u>	\$ <u><u>1,824</u></u>	\$ <u><u>95,045</u></u>	\$ <u><u>93,221</u></u>

Cleveland Heights-University Heights City School District

Auxiliary Services Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 99,336	\$ 1,817,509	\$ 1,817,509	\$ -
Earnings on investments	-	36,350	36,350	-
Total revenue	<u>99,336</u>	<u>1,853,859</u>	<u>1,853,859</u>	<u>-</u>
Expenditures:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	31,902	201,800	169,956	31,844
Employee benefits	8,602	54,412	45,826	8,586
Purchased services	169,525	1,072,334	903,122	169,212
Supplies and materials	80,857	511,465	430,757	80,708
Capital outlay	11,640	73,632	62,013	11,619
Other	<u>13,647</u>	<u>86,321</u>	<u>72,700</u>	<u>13,621</u>
Total expenditures	<u>316,174</u>	<u>1,999,964</u>	<u>1,684,374</u>	<u>315,590</u>
Excess of revenues over (under) expenditures	<u>(216,838)</u>	<u>(146,105)</u>	<u>169,485</u>	<u>315,590</u>
Other financing sources (uses):				
Transfers - in	-	99,190	99,190	-
Transfers - out	<u>(18,619)</u>	<u>(117,775)</u>	<u>(99,190)</u>	<u>18,585</u>
Total other financing sources (uses)	<u>(18,619)</u>	<u>(18,585)</u>	<u>-</u>	<u>18,585</u>
Net change in fund balance	(235,457)	(164,690)	169,485	334,175
Fund balance at beginning of year	179,676	179,676	179,676	-
Prior year encumbrances appropriated	<u>92,268</u>	<u>92,268</u>	<u>92,268</u>	<u>-</u>
Fund balance at end of year	\$ <u>36,487</u>	\$ <u>107,254</u>	\$ <u>441,429</u>	\$ <u>334,175</u>

Cleveland Heights-University Heights City School District

Motorcycle Safety 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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 39,762	\$ 24,910	\$ 10,775	\$ (14,135)
Miscellaneous	5,146	7,535	600	(6,935)
Total revenue	<u>44,908</u>	<u>32,445</u>	<u>11,375</u>	<u>(21,070)</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	1,116	12,020	5,947	6,073
Employee benefits	227	2,446	1,210	1,236
Supplies and materials	4	46	23	23
Total expenditures	<u>1,347</u>	<u>14,512</u>	<u>7,180</u>	<u>7,332</u>
Excess of revenues over (under) expenditures	43,561	17,933	4,195	(13,738)
Other financing sources (uses):				
Transfer - out	<u>(1,305)</u>	<u>(14,056)</u>	<u>(6,954)</u>	<u>7,102</u>
Net change in fund balance	42,256	3,877	(2,759)	(6,636)
Fund balance at beginning of year	<u>3,190</u>	<u>3,190</u>	<u>3,190</u>	<u>-</u>
Fund balance at end of year	\$ <u>45,446</u>	\$ <u>7,067</u>	\$ <u>431</u>	\$ <u>(6,636)</u>

Cleveland Heights-University Heights City School District

Educational Management Information Systems Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 15,299	\$ 26,909	\$ 21,752	\$ (5,157)
Expenditures:				
Current:				
Support services:				
Administration:				
Purchased services	48	711	258	453
Total administration	48	711	258	453
Central:				
Salaries and wages	8,898	130,688	47,404	83,284
Employee benefits	2,825	41,483	15,047	26,436
Purchased services	91	1,332	483	849
Supplies and materials	57	835	303	532
Capital outlay	71	1,048	380	668
Other	6	83	30	53
Total central	11,948	175,469	63,647	111,822
Total expenditures	11,996	176,180	63,905	112,275
Net change in fund balance	3,303	(149,271)	(42,153)	107,118
Fund balance at beginning of year	149,271	149,271	149,271	-
Fund balance at end of year	\$ 152,574	\$ -	\$ 107,118	\$ 107,118

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,373	\$ 150,257	\$ 139,592	\$ (10,665)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	4,969	38,934	36,332	2,602
Employee benefits	1,898	14,867	13,873	994
Supplies and materials	178	1,394	1,301	93
Total instruction	7,045	55,195	51,506	3,689
Support services:				
Instructional staff:				
Salaries and wages	-	51,652	48,200	3,452
Employee benefits	-	15,901	14,838	1,063
Purchased services	-	2,621	2,446	175
Supplies and materials	-	535	499	36
Total instructional staff	-	70,709	65,983	4,726
Administrative:				
Salaries and wages	-	17,670	16,489	1,181
Employee benefits	-	6,811	6,356	455
Total administrative	-	24,481	22,845	1,636
Pupil transportation:				
Purchased services	-	2,078	1,939	139
Total support services	-	97,268	90,767	6,501
Total expenditures	7,045	152,462	142,273	10,189
Excess of revenues over (under) expenditures	(672)	(2,205)	(2,681)	(476)
Other financing sources (uses):				
Advances - in	-	8,652	8,652	-
Advances - out	-	(7,119)	(6,643)	476
Total other financing sources (uses)	-	1,533	2,009	476
Net change in fund balance	(672)	(672)	(672)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	672	672	672	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

Entry Year 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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 12,100	\$ 12,100	\$ -
Excess of revenues over (under) expenditures	-	12,100	12,100	-
Other financing sources (uses):				
Transfers - out	-	(12,000)	(12,100)	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

One Net Ohio 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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 42,000	\$ 42,000	\$ -
Expenditures:				
Current:				
Support services:				
Building improvement services:				
Purchased services	9,821	52,320	52,320	-
Net change in fund balance	(9,821)	(10,320)	(10,320)	-
Fund balance at beginning of year	7,740	7,740	7,740	-
Prior year encumbrances appropriated	2,580	2,580	2,580	-
Fund balance at end of year	\$ 499	\$ -	\$ -	\$ -

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,750	\$ 6,750	\$ 6,750	\$ -
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	32	32	-	32
Employee benefits	85	85	-	85
Total instruction	117	117	-	117
Supporting services:				
Pupils:				
Purchased services	10,259	10,259	1,236	9,023
Supplies and materials	118	118	-	118
Total pupils	10,377	10,377	1,236	9,141
Instructional staff:				
Salaries and wages	195	195	-	195
Employee benefits	341	341	-	341
Total instructional staff	536	536	-	536
Total supporting services	10,913	10,913	1,236	9,677
Total expenditures	11,030	11,030	1,236	9,794
Net change in fund balance	(4,280)	(4,280)	5,514	9,794
Fund balance at beginning of year	4,280	4,280	4,280	-
Fund balance at end of year	\$ -	\$ -	\$ 9,794	\$ 9,794

Cleveland Heights-University Heights City School District

Textbook Subsidy Fund

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

For The Fiscal Year Ended June 30, 2005

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	\$ <u>1,602</u>	\$ <u>1,602</u>	\$ -	\$ -
Net change in fund balance	(1,602)	(1,602)	-	-
Fund balance at beginning of year	<u>1,602</u>	<u>1,602</u>	<u>1,602</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,602</u></u>	\$ <u><u>-</u></u>

Cleveland Heights-University Heights City School District

Ohio Reads Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,500	\$ 47,500	\$ 21,181	\$ (26,319)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	1,584	14,801	8,437	6,364
Special:				
Supplies and materials	2,804	26,210	14,940	11,270
Total instruction	4,388	41,011	23,377	17,634
Support services:				
Pupil:				
Purchased services	285	2,667	1,520	1,147
Supplies and materials	165	1,542	879	663
Total pupil	450	4,209	2,399	1,810
Administrative:				
Salaries and wages	1,924	17,984	10,251	7,733
Employee benefits	342	3,196	1,822	1,374
Purchased services	375	3,508	2,000	1,508
Total administrative	2,641	24,688	14,073	10,615
Total support services	3,091	28,897	16,472	12,425
Total expenditures	7,479	69,908	39,849	30,059
Excess of revenues over (under) expenditures	3,021	(22,408)	(18,668)	3,740
Other financing sources (uses):				
Advances - in	-	12,158	12,158	-
Refund of prior year receipts	(258)	(2,416)	(1,377)	1,039
Total other financing sources (uses)	(258)	9,742	10,781	1,039
Net change in fund balance	2,763	(12,666)	(7,887)	4,779
Fund balance at beginning of year	3,521	3,521	3,521	-
Prior year encumbrances appropriated	9,145	9,145	9,145	-
Fund balance at end of year	\$ 15,429	\$ -	\$ 4,779	\$ 4,779

Cleveland Heights-University Heights City School District

Summer School Subsidy Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 127,562	\$ 52,752	\$ (74,810)
Expenditures:				
Current:				
Instruction:				
Regular instruction:				
Salaries and wages	393	5,990	2,094	3,896
Supplies and materials	711	10,831	3,786	7,045
Total regular	1,104	16,821	5,880	10,941
Special instruction:				
Salaries and wages	7,940	121,005	42,298	78,707
Employee benefits	1,350	20,572	7,191	13,381
Supplies and materials	3,175	48,384	16,913	31,471
Total special	12,465	189,961	66,402	123,559
Total expenditures	13,569	206,782	72,282	134,500
Excess of revenues over (under) expenditures	(13,569)	(79,220)	(19,530)	59,690
Other financing sources (uses):				
Advances - in	-	62,868	62,868	-
Net change in fund balance	(13,569)	(16,352)	43,338	59,690
Fund balance at beginning of year	12,326	12,326	12,326	-
Prior year encumbrances appropriated	4,026	4,026	4,026	-
Fund balance at end of year	\$ 2,783	\$ -	\$ 59,690	\$ 59,690

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30	\$ 23,540	\$ 23,510	\$ (30)
Expenditures:				
Current:				
Support services:				
Pupil:				
Capital outlay	-	3,126	2,991	135
Administrative:				
Salaries and wages	-	13,467	12,885	582
Employee benefits	-	4,770	4,564	206
Total administrative	-	18,237	17,449	788
Total expenditures	-	21,363	20,440	923
Excess of revenues over (under) expenditures	30	2,177	3,070	893
Other financing sources (uses):				
Refund of prior year receipts	(30)	-	-	-
Net change in fund balance	-	2,177	3,070	893
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ 2,177	\$ 3,070	\$ 893

Cleveland Heights-University Heights City School District

Alternative Schools 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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 195,564	\$ 178,967	\$ (16,597)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	1,693	150,104	138,676	11,428
Employee benefits	6,297	55,604	51,371	4,233
Purchased services	3,142	-	-	-
Supplies and materials	694	-	-	-
Capital outlay	272	-	-	-
Total pupil	12,098	205,708	190,047	15,661
Pupil transportation:				
Purchased services	366	-	-	-
Total expenditures	12,464	205,708	190,047	15,661
Excess of revenues over (under) expenditures	(12,464)	(10,144)	(11,080)	(936)
Other financing sources (uses):				
Advances - in	-	11,080	11,080	-
Refund of prior year receipts	(8)	(13,408)	(12,387)	1,021
Total other financing sources (uses)	(8)	(2,328)	(1,307)	1,021
Net change in fund balance	(12,472)	(12,472)	(12,387)	85
Fund balance at beginning of year	12,393	12,393	12,393	-
Prior year encumbrances appropriated	79	79	79	-
Fund balance at end of year	\$ -	\$ -	\$ 85	\$ 85

Cleveland Heights-University Heights City School District

Extended Learning Opportunity Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	\$ 149	\$ 149	\$ -	\$ 149
Employee benefits	197	197	-	197
Purchased services	4,000	4,000	-	4,000
Supplies and materials	<u>12</u>	<u>12</u>	<u>-</u>	<u>12</u>
Total expenditures	<u>4,358</u>	<u>4,358</u>	<u>-</u>	<u>4,358</u>
Net change in fund balance	(4,358)	(4,358)	-	4,358
Fund balance at beginning of year	<u>4,358</u>	<u>4,358</u>	<u>4,358</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>4,358</u></u>	\$ <u><u>4,358</u></u>

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 25,000	\$ 112,785	\$ 50,930	\$ (61,855)
Miscellaneous	270	16,670	2,317	(14,353)
Total revenues	<u>25,270</u>	<u>129,455</u>	<u>53,247</u>	<u>(76,208)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	295	4,658	1,573	3,085
Employee benefits	49	770	260	510
Purchased services	21	335	113	222
Supplies and materials	1,104	17,424	5,884	11,540
Total	<u>1,469</u>	<u>23,187</u>	<u>7,830</u>	<u>15,357</u>
Support services:				
Pupil:				
Purchased services	<u>1,240</u>	<u>19,556</u>	<u>6,604</u>	<u>12,952</u>
Instructional staff:				
Purchased services	188	2,961	1,000	1,961
Supplies and materials	313	4,930	1,665	3,265
Other	130	2,058	695	1,363
Total instructional staff	<u>631</u>	<u>9,949</u>	<u>3,360</u>	<u>6,589</u>
Total support services	<u>1,871</u>	<u>29,505</u>	<u>9,964</u>	<u>19,541</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	3,484	54,967	18,562	36,405
Employee benefits	691	10,894	3,679	7,215
Purchased services	374	5,896	1,991	3,905
Supplies and materials	219	3,462	1,169	2,293
Other	23	370	125	245
Total operation of non-instructional services	<u>4,791</u>	<u>75,589</u>	<u>25,526</u>	<u>50,063</u>
Total expenditures	<u>8,131</u>	<u>128,281</u>	<u>43,320</u>	<u>84,961</u>

Continued

Cleveland Heights-University Heights City School District

Miscellaneous State Grants Fund (continued)

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	<u>17,139</u>	<u>1,174</u>	<u>9,927</u>	<u>8,753</u>
Other financing sources (uses):				
Transfers - in	-	6,954	6,954	-
Refund of prior year receipts	<u>(7)</u>	<u>(107)</u>	<u>(36)</u>	<u>71</u>
Total other financing sources (uses)	<u>(7)</u>	<u>6,847</u>	<u>6,918</u>	<u>71</u>
Net change in fund balance	17,132	8,021	16,845	8,824
Fund balance at beginning of year	8,690	8,690	8,690	-
Prior year encumbrances appropriated	<u>3,290</u>	<u>3,290</u>	<u>3,290</u>	<u>-</u>
Fund balance at end of year	\$ <u>29,112</u>	\$ <u>20,001</u>	\$ <u>28,825</u>	\$ <u>8,824</u>

Cleveland Heights-University Heights City School District

Adult Basic Education Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 62,932	\$ 263,345	\$ 248,940	\$ (14,405)
Expenditures:				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and wages	43,894	177,739	166,655	11,084
Employee benefits	10,812	43,781	41,051	2,730
Purchased services	709	2,870	2,691	179
Supplies and materials	3,499	14,170	13,286	884
Total instruction	58,914	238,560	223,683	14,877
Support services:				
Pupil:				
Salaries and wages	5,926	23,995	22,499	1,496
Employee benefits	911	3,689	3,459	230
Purchased services	1,392	5,636	5,285	351
Supplies and materials	204	824	773	51
Other	263	1,067	1,000	67
Total support services	8,696	35,211	33,016	2,195
Total expenditures	67,610	273,711	256,699	17,072
Excess of revenues over (under) expenditures	(4,678)	(10,426)	(7,759)	2,667
Other financing sources (uses):				
Advances - in	-	5,748	5,748	-
Net change in fund balance	(4,678)	(4,678)	(2,011)	2,667
Fund balance at beginning of year	3,064	3,064	3,064	-
Prior year encumbrances appropriated	1,614	1,614	1,614	-
Fund balance at end of year	\$ -	\$ -	\$ 2,667	\$ 2,667

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 278,903	\$ 1,801,332	\$ 1,244,476	\$ (556,856)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	13,998	69,357	48,031	21,326
Employee benefits	3,823	18,941	13,117	5,824
Purchased services	17,987	89,121	61,718	27,403
Supplies and materials	31,547	156,311	108,249	48,062
Capital outlay	3,591	17,793	12,322	5,471
Total special	70,946	351,523	243,437	108,086
Support services:				
Pupil:				
Salaries and wages	21,285	105,465	73,037	32,428
Employee benefits	7,283	36,088	24,992	11,096
Purchased services	214	1,063	736	327
Supplies and materials	1,262	6,253	4,330	1,923
Total pupil	30,044	148,869	103,095	45,774
Instructional staff:				
Salaries and wages	44,880	549,670	344,617	205,053
Employee benefits	52,660	260,919	180,692	80,227
Purchased services	30,602	151,628	105,006	46,622
Total instructional staff	128,142	962,217	630,315	331,902
Administrative:				
Salaries and wages	39,124	243,853	134,248	109,605
Employee benefits	18,848	146,172	64,672	81,500
Purchased services	2,401	11,899	8,240	3,659
Supplies and materials	444	2,198	1,522	676
Capital outlay	954	4,729	3,275	1,454
Total administrative	61,771	408,851	211,957	196,894
Pupil transportation:				
Salaries and wages	3,018	14,953	10,355	4,598
Employee benefits	1,780	8,820	6,108	2,712
Purchased services	989	4,901	3,394	1,507
Total pupil transportation	5,787	28,674	19,857	8,817
Total support services	225,744	1,548,611	965,224	583,387

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	2,151	10,657	7,380	3,277
Employee benefits	829	4,107	2,844	1,263
Purchased services	14,529	71,986	49,852	22,134
Total operation of non-instructional services	17,509	86,750	60,076	26,674
Total expenditures	314,199	1,986,884	1,268,737	718,147
Excess of revenues over (under) expenditures	(35,296)	(185,552)	(24,261)	161,291
Other financing sources (uses):				
Transfers - in	-	194,434	84,863	(109,571)
Advances - in	-	162,974	162,974	-
Transfers - out	(17,896)	(113,166)	(84,863)	28,303
Advances - out	(21,016)	(132,898)	(72,263)	60,635
Total other financing sources (uses)	(38,912)	111,344	90,711	(20,633)
Net change in fund balance	(74,208)	(74,208)	66,450	140,658
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	74,208	74,208	74,208	-
Fund balance at end of year	\$ -	\$ -	\$ 140,658	\$ 140,658

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 15,476	\$ 329,386	\$ 329,386	\$ -
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	9,098	88,205	74,987	13,218
Employee benefits	2,911	28,227	23,997	4,230
Purchased services	2,229	21,609	18,371	3,238
Supplies and materials	2,804	27,186	23,112	4,074
Capital outlay	5,192	50,339	42,795	7,544
Total instruction	22,234	215,566	183,262	32,304
Support services:				
Pupil:				
Salaries and wages	4,874	47,247	40,167	7,080
Employee benefits	2,028	19,659	16,712	2,947
Supplies and materials	370	3,585	3,048	537
Total pupil	7,272	70,491	59,927	10,564
Instructional staff:				
Salaries and wages	102	988	840	148
Employee benefits	17	169	144	25
Total instructional staff	119	1,157	984	173
Administrative:				
Salaries and wages	1,484	14,391	12,234	2,157
Pupil transportation:				
Purchased services	34	334	284	50
Central:				
Purchased services	3,098	30,039	25,537	4,502
Supplies and materials	237	2,296	1,952	344
Capital outlay	510	4,940	4,200	740
Total central	3,845	37,275	31,689	5,586
Total support services	12,754	123,648	105,118	18,530
Total expenditures	34,988	339,214	288,380	50,834
Excess of revenues over (under) expenditures	(19,512)	(9,828)	41,006	50,834

Continued

Cleveland Heights-University Heights City School District

Vocational Education Fund (continued)

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Advances - out	(965)	(9,358)	(7,956)	1,402
Refund of prior year's receipts	(48)	(466)	(396)	70
Total other financing sources (uses)	<u>(1,013)</u>	<u>(9,824)</u>	<u>(8,352)</u>	<u>1,472</u>
Net change in fund balance	(20,525)	(19,652)	32,654	52,306
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>20,525</u>	<u>20,525</u>	<u>20,525</u>	<u>-</u>
Fund balance at end of year	\$ <u>-</u>	\$ <u>873</u>	\$ <u>53,179</u>	\$ <u>52,306</u>

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,148	\$ 15,653	\$ 6,695	\$ (8,958)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	6,717	14,397	5,486	8,911
Employee benefits	1,146	2,457	936	1,521
Purchased services	1,937	4,152	1,582	2,570
Supplies and materials	3,665	7,855	2,993	4,862
Total expenditures	13,465	28,861	10,997	17,864
Excess of revenues over (under) expenditures	(6,317)	(13,208)	(4,302)	(8,906)
Other financing sources (uses):				
Transfers - in	-	2,577	-	(2,577)
Advances - in	-	4,314	4,314	-
Total other financing sources (uses)	-	6,891	4,314	(2,577)
Net change in fund balance	(6,317)	(6,317)	12	6,329
Fund balance at beginning of year	2,003	2,003	2,003	-
Prior year encumbrances appropriated	4,314	4,314	4,314	-
Fund balance at end of year	\$ -	\$ -	\$ 6,329	\$ 6,329

Cleveland Heights-University Heights City School District

Chinese Refugees Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support services:				
Pupil:				
Supplies and materials	\$ 1,537	\$ 1,537	\$ 1,401	\$ 136
Net change in fund balance	(1,537)	(1,537)	(1,401)	136
Fund balance at beginning of year	1,537	1,537	1,537	-
Fund balance at end of year	\$ -	\$ -	\$ 136	\$ 136

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 365,899	\$ 1,481,116	\$ 1,425,823	\$ (55,293)
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	26,606	112,227	91,294	20,933
Supplies and materials	2,550	10,755	8,749	2,006
Total regular	29,156	122,982	100,043	22,939
Special:				
Salaries and wages	200,674	846,466	688,577	157,889
Employee benefits	61,422	259,085	210,760	48,325
Supplies and materials	14,871	62,729	51,028	11,701
Capital outlay	6,934	29,249	23,793	5,456
Total special	283,901	1,197,529	974,158	223,371
Total instruction	313,057	1,320,511	1,074,201	246,310
Support services:				
Pupil:				
Purchased services	12,872	54,294	44,167	10,127
Supplies and materials	907	3,824	3,111	713
Capital outlay	16	68	55	13
Total pupil	13,795	58,186	47,333	10,853
Instructional staff:				
Salaries and wages	4,823	20,344	16,549	3,795
Employee benefits	2,215	9,343	7,600	1,743
Purchased services	15,473	65,266	53,092	12,174
Supplies and materials	20,942	88,336	71,859	16,477
Total instructional staff	43,453	183,289	149,100	34,189
Administrative:				
Other	5,246	22,127	18,000	4,127
Pupil transportation:				
Purchased services	2,912	12,283	9,992	2,291
Total support services	65,406	275,885	224,425	51,460

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	14,948	63,055	51,291	11,764
Employee benefits	4,220	17,800	14,480	3,320
Purchased services	956	4,032	3,280	752
Supplies and materials	91	382	311	71
Total operation of non-instructional services	<u>20,215</u>	<u>85,269</u>	<u>69,362</u>	<u>15,907</u>
Total expenditures	<u>398,678</u>	<u>1,681,665</u>	<u>1,367,988</u>	<u>313,677</u>
Excess of revenues over (under) expenditures	<u>(32,779)</u>	<u>(200,549)</u>	<u>57,835</u>	<u>258,384</u>
Other financing sources (uses):				
Advances - in	-	3,720	3,720	-
Transfers - in	-	231,407	-	(231,407)
Advances - out	<u>(40,251)</u>	<u>(169,783)</u>	<u>(138,114)</u>	<u>31,669</u>
Total other financing sources (uses)	<u>(40,251)</u>	<u>65,344</u>	<u>(134,394)</u>	<u>(199,738)</u>
Net change in fund balance	(73,030)	(135,205)	(76,559)	58,646
Fund balance at beginning of year	4	4	4	-
Prior year encumbrances appropriated	<u>135,585</u>	<u>135,585</u>	<u>135,585</u>	<u>-</u>
Fund balance at end of year	\$ <u>62,559</u>	\$ <u>384</u>	\$ <u>59,030</u>	\$ <u>58,646</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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,030	\$ 66,885	\$ 66,884	\$ (1)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	2,736	28,999	29,037	38
Employee benefits	1,145	12,134	12,150	16
Purchased services	1,207	12,797	12,814	17
Supplies and materials	56	591	592	1
Total support services	5,144	54,521	54,593	72
Operation of non-instructional services:				
Community services:				
Purchased services	283	2,991	2,995	4
Supplies and materials	601	6,365	6,373	8
Capital outlay	278	2,951	2,955	4
Total operation of non-instructional services	1,162	12,307	12,323	16
Total expenditures	6,306	66,828	66,916	88
Excess of revenues over (under) expenditures	(1,276)	57	(32)	89
Other financing sources (uses):				
Transfers - in	-	2,231	2,231	-
Advances - in	-	3,309	3,309	-
Transfers - out	(273)	(2,895)	(2,231)	(664)
Advances - out	(210)	(2,228)	(2,899)	671
Total other financing sources (uses)	(483)	417	410	7
Net change in fund balance	(1,759)	474	378	(96)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	1,759	1,759	1,759	-
Fund balance at end of year	\$ -	\$ 2,233	\$ 2,137	\$ (96)

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,761	\$ 37,381	\$ 28,871	\$ (8,510)
Miscellaneous	110	110	-	(110)
Total revenues	<u>8,871</u>	<u>37,491</u>	<u>28,871</u>	<u>(8,620)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	678	3,359	2,326	1,033
Employee benefits	86	425	294	131
Supplies and materials	<u>219</u>	<u>1,083</u>	<u>750</u>	<u>333</u>
Total instruction	<u>983</u>	<u>4,867</u>	<u>3,370</u>	<u>1,497</u>
Support services:				
Pupil:				
Salaries and wages	4,919	25,285	19,040	6,245
Employee benefits	<u>2,201</u>	<u>10,904</u>	<u>7,551</u>	<u>3,353</u>
Total support services	<u>7,120</u>	<u>36,189</u>	<u>26,591</u>	<u>9,598</u>
Operation of non-instructional services:				
Community services:				
Purchased services	881	4,364	3,022	1,342
Supplies and materials	<u>133</u>	<u>660</u>	<u>457</u>	<u>203</u>
Total operation of non-instructional services	<u>1,014</u>	<u>5,024</u>	<u>3,479</u>	<u>1,545</u>
Total expenditures	<u>9,117</u>	<u>46,080</u>	<u>33,440</u>	<u>12,640</u>
Excess of revenues over (under) expenditures	<u>(246)</u>	<u>(8,589)</u>	<u>(4,569)</u>	<u>4,020</u>
Other financing sources (uses):				
Transfers - in	-	8,918	3,996	(4,922)
Advances - in	-	4,030	4,030	-
Transfers - out	<u>(1,165)</u>	<u>(5,770)</u>	<u>(3,996)</u>	<u>1,774</u>
Total other financing sources (uses)	<u>(1,165)</u>	<u>7,178</u>	<u>4,030</u>	<u>(3,148)</u>
Net change in fund balance	(1,411)	(1,411)	(539)	872
Fund balance at beginning of year	80	80	80	-
Prior year encumbrances appropriated	<u>1,331</u>	<u>1,331</u>	<u>1,331</u>	<u>-</u>
Fund balance at end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>872</u>	\$ <u>872</u>

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,264	\$ 49,584	\$ 44,478	\$ (5,106)
Expenditures:				
Current:				
Instruction:				
Special:				
Supplies and materials	333	6,928	6,243	685
Capital outlay	108	2,240	2,018	222
Total instruction	441	9,168	8,261	907
Support services:				
Pupil:				
Salaries and wages	1,519	31,582	28,457	3,125
Employee benefits	450	9,366	8,439	927
Purchased services	1	22	20	2
Total support services	1,970	40,970	36,916	4,054
Total expenditures	2,411	50,138	45,177	4,961
Excess of revenues over (under) expenditures	(147)	(554)	(699)	(145)
Other financing sources (uses):				
Transfers - in	-	464	464	-
Advances - in	-	1,338	1,338	-
Transfers - out	(46)	(951)	(464)	487
Advances - out	(25)	(515)	(857)	(342)
Total other financing sources (uses)	(71)	336	481	145
Net change in fund balance	(218)	(218)	(218)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	218	218	218	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 46,642	\$ 503,394	\$ 469,186	\$ (34,208)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	35,346	234,822	211,291	23,531
Employee benefits	14,385	95,571	85,994	9,577
Total instruction	49,731	330,393	297,285	33,108
Support services:				
Instructional staff:				
Salaries and wages	3,130	20,792	18,708	2,084
Employee benefits	461	3,068	2,761	307
Purchased services	17,367	115,379	103,817	11,562
Supplies and materials	4,849	32,213	28,985	3,228
Total support services	25,807	171,452	154,271	17,181
Operation of non-instructional services:				
Community services:				
Purchased services	1,383	9,186	8,266	920
Supplies and materials	277	1,842	1,657	185
Total operation of non-instructional services	1,660	11,028	9,923	1,105
Total expenditures	77,198	512,873	461,479	51,394
Excess of revenues over (under) expenditures	(30,556)	(9,479)	7,707	17,186
Other financing sources (uses):				
Transfers - in	-	4,921	4,921	-
Advances - in	-	16,932	16,932	-
Transfers - out	(6,784)	(5,469)	(4,921)	548
Advances - out	(823)	(45,068)	(40,552)	4,516
Total other financing sources (uses)	(7,607)	(28,684)	(23,620)	5,064
Net change in fund balance	(38,163)	(38,163)	(15,913)	22,250
Fund balance at beginning of year	877	877	877	-
Prior year encumbrances appropriated	37,286	37,286	37,286	-
Fund balance at end of year	\$ -	\$ -	\$ 22,250	\$ 22,250

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,473,991	\$ 3,868,069	\$ 2,215,754	\$ (1,652,315)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	33,145	148,089	89,263	58,826
Employee benefits	7,041	31,457	18,961	12,496
Purchased services	1,225	5,475	3,300	2,175
Total instruction	<u>41,411</u>	<u>185,021</u>	<u>111,524</u>	<u>73,497</u>
Support services:				
Pupils:				
Salaries and wages	277,181	1,238,419	746,474	491,945
Employee benefits	97,202	434,289	261,774	172,515
Purchased services	303,632	1,356,602	817,711	538,891
Supplies and materials	8,590	38,382	23,135	15,247
Total pupil	<u>686,605</u>	<u>3,067,692</u>	<u>1,849,094</u>	<u>1,218,598</u>
Instructional staff:				
Salaries and wages	1,825	8,161	4,919	3,242
Employee benefits	299	1,334	804	530
Purchased services	5,177	23,128	13,941	9,187
Supplies and materials	5,715	25,532	15,390	10,142
Total instructional staff	<u>13,016</u>	<u>58,155</u>	<u>35,054</u>	<u>23,101</u>
Administrative:				
Other	<u>2,228</u>	<u>9,954</u>	<u>6,000</u>	<u>3,954</u>
Pupil transportation:				
Purchased services	<u>277</u>	<u>1,236</u>	<u>745</u>	<u>491</u>

Continued

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund (continued)

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	24,090	107,633	64,877	42,756
Employee benefits	9,497	42,430	25,575	16,855
Purchased services	43,824	195,803	118,023	77,780
Total central	<u>77,411</u>	<u>345,866</u>	<u>208,475</u>	<u>137,391</u>
Total support services	<u>779,537</u>	<u>3,482,903</u>	<u>2,099,368</u>	<u>1,383,535</u>
Operation of non-instructional services:				
Community services:				
Purchased services	44	196	118	78
Supplies and materials	870	3,887	2,343	1,544
Capital outlay	744	3,326	2,005	1,321
Total operation of non-instructional services	<u>1,658</u>	<u>7,409</u>	<u>4,466</u>	<u>2,943</u>
Total expenditures	<u>822,606</u>	<u>3,675,333</u>	<u>2,215,358</u>	<u>1,459,975</u>
Excess of revenues over (under) expenditures	<u>651,385</u>	<u>192,736</u>	<u>396</u>	<u>(192,340)</u>
Other financing sources (uses):				
Transfers - in	-	16,180	2,197	(13,983)
Advances - in	-	258,640	258,640	-
Transfers - out	(2,672)	(11,940)	(7,197)	4,743
Advances - out	(92,997)	(415,501)	(250,449)	165,052
Refund of prior year's receipts	(9)	(38)	(23)	15
Total other financing sources (uses)	<u>(95,678)</u>	<u>(152,659)</u>	<u>3,168</u>	<u>155,827</u>
Net change in fund balance	555,707	40,077	3,564	(36,513)
Fund balance at beginning of year	920	920	920	-
Prior year encumbrances appropriated	<u>123,127</u>	<u>123,127</u>	<u>123,127</u>	<u>-</u>
Fund balance at end of year	\$ <u>679,754</u>	\$ <u>164,124</u>	\$ <u>127,611</u>	\$ <u>(36,513)</u>

Cleveland Heights-University Heights City School District

School Net Plus Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 59,010	\$ 59,010	\$ -
Expenditures:				
Current:				
Support services:				
Pupils:				
Supplies and materials	-	14,362	-	14,362
Capital outlay	-	45,401	-	45,401
Total expenditures	-	59,763	-	59,763
Net change in fund balance	-	(753)	59,010	59,763
Fund balance at beginning of year	2,023	2,023	2,023	-
Fund balance at end of year	\$ 2,023	\$ 1,270	\$ 61,033	\$ 59,763

Cleveland Heights-University Heights City School District

Food Service Fund

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 1,510,000	\$ 787,092	\$ 787,092	\$ -
Intergovernmental	1,255,000	1,440,786	1,440,786	-
Total revenues	<u>2,765,000</u>	<u>2,227,878</u>	<u>2,227,878</u>	<u>-</u>
Expenses:				
Food service operations:				
Salaries and wages	751,126	751,126	787,047	(35,921)
Fringe benefits	361,343	361,343	351,815	9,528
Purchased services	80,814	80,814	69,383	11,431
Supplies and materials	1,096,629	957,649	933,545	24,104
Capital outlay	20,000	-	-	-
Capital outlay - replacement	2,000	1,741	695	1,046
Other	<u>3,800</u>	<u>3,800</u>	<u>3,728</u>	<u>72</u>
Total expenses	<u>2,315,712</u>	<u>2,156,473</u>	<u>2,146,213</u>	<u>10,260</u>
Excess of revenues over (under) expenses	<u>449,288</u>	<u>71,405</u>	<u>81,665</u>	<u>10,260</u>
Other financing sources (uses):				
Advances - in	-	377,892	377,892	-
Advances - out	<u>(450,560)</u>	<u>(450,560)</u>	<u>(450,560)</u>	<u>-</u>
Total other financing sources (uses)	<u>(450,560)</u>	<u>(72,668)</u>	<u>(72,668)</u>	<u>-</u>
Net change in fund equity	(1,272)	(1,263)	8,997	10,260
Fund equity at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>1,632</u>	<u>1,632</u>	<u>1,632</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>360</u></u>	\$ <u><u>369</u></u>	\$ <u><u>10,629</u></u>	\$ <u><u>10,260</u></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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 18,184	\$ 53,737	\$ 53,737	\$ -
Miscellaneous	85,500	20,028	20,028	-
Total revenues	<u>103,684</u>	<u>73,765</u>	<u>73,765</u>	<u>-</u>
Expenses:				
Supplies and materials:				
Regular instruction	104,211	68,839	68,637	202
Other operation of non-instructional services	<u>23,151</u>	<u>23,016</u>	<u>16,815</u>	<u>6,201</u>
Total supplies and materials	<u>127,362</u>	<u>91,855</u>	<u>85,452</u>	<u>6,403</u>
Other:				
Other operation -of non-instructional services	<u>16,438</u>	<u>8,138</u>	<u>928</u>	<u>7,210</u>
Purchased services:				
Regular instruction	-	249	249	-
Other operation -of non-instructional services	<u>132</u>	<u>267</u>	<u>-</u>	<u>267</u>
Total purchased services	<u>132</u>	<u>516</u>	<u>249</u>	<u>267</u>
Total expenses	<u>143,932</u>	<u>100,509</u>	<u>86,629</u>	<u>13,880</u>
Net change in fund equity	(40,248)	(26,744)	(12,864)	13,880
Fund equity at beginning of year	33,698	33,698	33,698	-
Prior year encumbrances appropriated	<u>6,897</u>	<u>6,897</u>	<u>6,897</u>	<u>-</u>
Fund equity (deficit) at end of year	\$ <u>347</u>	\$ <u>13,851</u>	\$ <u>27,731</u>	\$ <u>13,880</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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 20,032	\$ 20,032	\$ -
Expenses:				
Purchased services:	12,000	18,651	18,650	1
Support services - instructional staff	-	681	665	16
Total purchased services	<u>12,000</u>	<u>19,332</u>	<u>19,315</u>	<u>17</u>
Supplies and materials:				
Regular instruction	<u>2,500</u>	<u>221</u>	<u>221</u>	<u>-</u>
Total expenses	<u>14,500</u>	<u>19,553</u>	<u>19,536</u>	<u>17</u>
Excess of revenues over (under) expenses	(14,500)	479	496	17
Other financing sources (uses):				
Transfers - in	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund equity	-	479	496	17
Fund equity at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year	\$ <u>-</u>	\$ <u>479</u>	\$ <u>496</u>	\$ <u>17</u>

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition	\$ <u>1,217,510</u>	\$ <u>883,877</u>	\$ <u>883,879</u>	\$ <u>2</u>
Expenses:				
Community services:				
Salaries and wages	666,547	627,600	600,850	26,750
Fringe benefits	231,089	181,089	179,826	1,263
Purchased services	12,653	12,653	5,942	6,711
Supplies and materials	94,685	41,687	33,539	8,148
Capital outlay	1,750	1,750	-	1,750
Capital outlay - replacement	3,350	3,350	-	3,350
Other	<u>4,100</u>	<u>6,100</u>	<u>4,397</u>	<u>1,703</u>
Total expenses	<u>1,014,174</u>	<u>874,229</u>	<u>824,554</u>	<u>49,675</u>
Net change in fund equity	203,336	9,648	59,325	49,677
Fund equity at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>6,265</u>	<u>6,265</u>	<u>6,265</u>	-
Fund equity at end of year	\$ <u>209,601</u>	\$ <u>15,913</u>	\$ <u>65,590</u>	\$ <u>49,677</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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 19,669,000	\$ 18,780,349	\$ 18,780,349	\$ -
Expenses:				
Salaries and wages:				
Support services - central	-	-	33,168	(33,168)
Fringe benefits:				
Support services - central	11,013,434	11,014,434	10,626,274	388,160
Foundation settlement retiree	8,500,000	8,500,000	8,601,420	(101,420)
Fringe adjustments	-	585	585	-
Total fringe benefits	19,513,434	19,515,019	19,228,279	286,740
Purchases services:				
Support services - central	137,335	137,335	98,318	39,017
Total expenses	19,650,769	19,652,354	19,359,765	292,589
Net change in fund equity	18,231	(872,005)	(579,416)	292,589
Fund equity at beginning of year	1,067,254	1,067,254	1,067,254	-
Prior year encumbrances appropriated	35,769	35,769	35,769	-
Fund equity at end of year	\$ 1,121,254	\$ 231,018	\$ 523,607	\$ 292,589

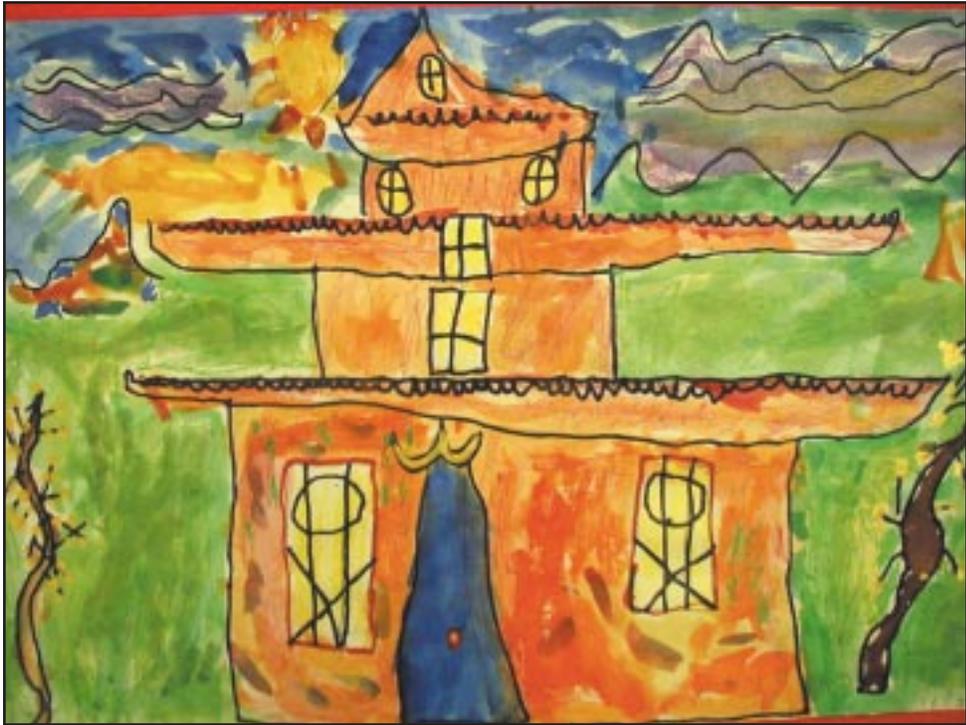
Cleveland Heights-University Heights City School District

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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 750,000	\$ 933,911	\$ 933,911	\$ -
Expenses:				
Fringe benefits:				
Support services - central	932,905	1,300,000	709,242	590,758
Purchased services:				
Support services - central	14,742	14,742	22,423	(7,681)
Total expenses	947,647	1,314,742	731,665	583,077
Net change in fund equity	(197,647)	(380,831)	202,246	583,077
Fund equity at beginning of year	504,092	504,092	504,092	-
Prior year encumbrances appropriated	197,647	197,647	197,647	-
Fund equity at end of year	\$ 504,092	\$ 320,908	\$ 903,985	\$ 583,077



IAN BARTZ
Grade 3
Coventry Elementary School



**ALEIGHA
CRAYTON**
Grade 4
Oxford Elementary School



Statistical Section



SHYARA HASAN
Grade 3, Oxford Elementary School



SUZANNA BIDDLE
Grade 3, Oxford Elementary School



Cleveland **Heights**
University



City School District

Cleveland Heights-University Heights City School District

Governmental Activities - Expenditures by Function

Last Ten Fiscal Years

Table 1

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
Instruction:						
Regular	\$ 37,821,356	\$ 33,804,479	\$ 36,417,770	\$ 35,087,111	\$ 34,958,355	\$ 34,583,645
Special	8,555,472	8,465,988	7,890,280	7,718,576	7,570,304	7,558,962
Vocational Education	1,761,548	1,717,241	1,774,417	1,695,105	1,859,843	1,828,643
Adult/Continuing	257,212	256,099	238,686	258,416	249,789	249,789
Other	2,053,694	2,053,694	2,664,644	2,675,944	2,454,574	2,454,574
Support Services:						
Pupils	9,482,769	9,398,698	9,177,483	8,910,162	7,951,089	7,951,441
Instructional Staff	4,955,130	4,786,153	5,524,342	5,385,171	5,056,893	4,835,159
Board of Education	620,020	620,020	579,903	543,274	491,748	491,748
Administrative	6,178,788	6,001,439	5,999,231	5,848,938	5,514,641	5,524,040
Fiscal Services	1,990,102	1,982,278	1,554,698	1,532,415	1,964,999	1,956,620
Business	2,320,386	2,293,991	5,187,483	5,139,737	2,494,829	4,087,808
Operation and Maintenance of Plant Services	11,949,256	16,773,828	8,631,086	16,007,194	11,645,982	14,280,666
Pupil Transportation	3,055,811	2,872,764	3,403,554	3,229,414	3,253,212	3,194,204
Central Services	2,767,128	2,726,067	2,641,862	2,594,369	2,976,889	2,942,986
Operation of Non-Instructional Services:						
Food Services	-	-	-	24	976	976
Community Services	2,038,093	2,026,440	1,772,402	1,755,029	2,280,063	2,279,893
Other	-	-	63,510	50,795	100,526	100,920
Extracurricular Activities	1,195,101	1,202,092	1,108,523	1,077,510	1,170,728	1,154,995
Capital Outlay	-	-	-	124,678	122,904	122,904
Debt Service	589,770	1,506,144	732,788	2,007,299	610,196	2,027,489
Other Uses (2)	-	1,432,606	-	6,955,329	-	2,214,769
Total	\$ <u>97,591,636</u>	\$ <u>99,920,021</u>	\$ <u>95,362,662</u>	\$ <u>108,596,490</u>	\$ <u>92,708,540</u>	\$ <u>99,842,231</u>

Source: School District financial records

(1) 2003, 2004 and 2005 reported on modified accrual and full accrual basis; 2000 through 2002 reported on GAAP (modified accrual)

basis; all other years reported on cash basis.

(2) Includes other financing uses for modified accrual and cash basis.

(3) 1996 through 1999 detail on Instruction by function not available.

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999 (3)</u>	<u>1998 (3)</u>	<u>1997 (3)</u>	<u>1996 (3)</u>
				\$ 40,732,226	\$ 36,761,834	\$ 34,154,974	\$ 33,965,345
\$	32,721,891	\$ 31,830,566	\$ 30,403,860				
	6,843,267	6,353,542	5,939,722				
	1,679,674	1,623,723	1,633,653				
	243,714	219,804	202,811				
	1,217,427	1,933,701	1,702,550				
	7,205,878	7,300,157	6,857,623	6,174,489	5,885,176	5,394,428	5,221,280
	4,179,534	3,676,704	4,009,890	4,276,090	3,269,485	3,037,140	2,933,757
	245,198	621,463	763,661	288,511	254,643	289,075	273,037
	5,573,613	4,669,781	4,917,757	5,115,042	5,058,623	4,821,941	4,872,084
	2,029,914	1,809,818	1,738,279	1,451,557	1,424,184	1,270,680	1,225,485
	2,713,106	1,490,288	1,457,801	1,206,753	1,252,836	1,214,054	1,402,740
	11,578,679	9,145,902	11,705,803	8,250,470	9,998,527	9,916,604	11,496,622
	2,728,538	2,425,998	2,266,660	2,162,846	2,184,556	1,991,311	2,268,118
	3,004,062	2,775,439	2,503,827	2,124,117	1,708,066	1,663,157	1,374,537
	103	1,853	927	-	-	-	-
	2,097,167	1,962,607	2,024,777	-	1,537,051	1,685,820	1,393,623
	78,040	70,196	79,469	3,117,020	8,057	9,546	-
	1,160,769	982,550	910,198	971,425	634,924	574,056	613,860
	10,547	19,500	14,678	6,483,198	5,800	142	74,572
	1,550,867	1,210,973	651,270	523,765	383,250	393,900	302,250
	<u>464,290</u>	<u>895,338</u>	<u>1,975,983</u>	<u>877,881</u>	<u>1,175,693</u>	<u>943,048</u>	<u>700,295</u>
\$	<u>87,326,278</u>	<u>81,019,903</u>	<u>81,761,201</u>	<u>83,755,390</u>	<u>71,542,705</u>	<u>67,359,876</u>	<u>68,117,605</u>

Cleveland Heights-University Heights City School District

Governmental Activities - Revenues by Source

Last Ten Fiscal Years ⁽¹⁾

Table 2

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
Program revenues:						
Charges for services	\$ 3,787,173	\$ N/A	\$ 5,381,228	\$ N/A	\$ 2,867,838	\$ N/A
Operating grants and contributions	13,429,958	N/A	8,941,134	N/A	8,826,745	N/A
Capital grants and contributions	48,750	N/A	56,931	N/A	56,288	N/A
General revenues:						
Taxes	64,308,165	65,125,482	62,188,992	60,162,590	53,660,377	46,308,999
Intergovernmental	30,581,825	40,330,849	21,819,121	33,979,643	16,603,073	33,868,366
Transportation fees	-	51,315	-	76,823	-	56,288
Earnings on investments	462,658	462,659	169,792	169,792	260,631	254,688
Tuition and fees	-	3,000,244	-	666,018	-	589,353
Food services	-	-	-	-	-	-
Extracurricular activities	-	357,465	-	276,992	-	347,415
Classroom materials and fees	-	24,334	-	47,994	-	65,752
Miscellaneous revenues and other financing sources	<u>392,785</u>	<u>3,874,169</u>	<u>-</u>	<u>13,023,434</u>	<u>-</u>	<u>10,119,154</u>
Total	\$ <u>113,011,315</u>	\$ <u>113,226,517</u>	\$ <u>98,557,198</u>	\$ <u>108,403,286</u>	\$ <u>82,274,952</u>	\$ <u>91,610,015</u>

Source: School District financial records

(1) 2003, 2004 and 2005 reported on modified accrual and full accrual basis; 1999 through 2002 reported on GAAP (modified accrual) basis; all others reported on cash basis

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
62,143,581	50,765,634	40,916,548	49,473,648	44,485,699	41,513,741	38,703,674
31,643,744	30,873,961	27,247,063	28,389,022	24,655,970	23,468,413	21,725,353
61,297	95,538	46,063	-	53,363	53,872	66,415
828,171	1,320,577	1,027,407	1,758,784	1,358,683	1,122,215	1,162,847
287,421	899,953	1,553,244	5,948,629	3,802,397	2,609,749	3,187,569
1,831	-	92	-	39,819	77,678	76,843
370,346	448,766	365,223	955,618	-	-	-
61,389	74,081	271,746	-	-	-	-
<u>16,325,659</u>	<u>1,671,560</u>	<u>1,826,731</u>	<u>5,628,046</u>	<u>1,179,059</u>	<u>798,847</u>	<u>1,168,078</u>
\$ <u>111,723,439</u>	\$ <u>86,150,070</u>	\$ <u>73,254,117</u>	\$ <u>92,153,747</u>	\$ <u>75,574,990</u>	\$ <u>69,644,515</u>	\$ <u>66,090,779</u>

Cleveland Heights-University Heights City School District

Property Tax Levies And Collections – Real and Tangible Personal Property

Last Ten Years

Table 3

<u>Tax Year/ Collection 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>Total Collected as a Percent of Current Levy</u>
2004	\$ 73,993,743	\$ 6,538,173	\$ 80,531,917	\$ 65,677,215	88.76%	\$ 3,208,654	\$ 68,885,869	93.01%
2003	63,884,607	3,977,674	67,862,281	58,532,812	91.62%	3,179,666	61,712,478	96.60%
2002	60,216,887	4,017,319	64,234,206	57,410,608	95.33%	2,830,263	60,240,871	100.04%
2001	61,457,814	3,264,265	64,722,079	53,422,810	86.93%	1,476,879	54,899,689	89.33%
2000	51,057,682	3,302,936	54,360,618	48,710,094	95.40%	2,358,932	51,069,026	100.02%
1999	50,792,187	3,445,416	54,237,603	48,529,555	95.55%	1,840,890	50,370,445	99.17%
1998	50,958,952	3,281,648	54,240,600	48,815,618	95.79%	1,376,408	50,192,026	98.50%
1997	50,530,484	2,261,651	52,792,135	45,883,312	90.80%	956,882	46,840,194	92.70%
1996	43,508,521	2,417,941	45,926,462	42,493,083	97.67%	1,009,038	43,502,121	99.99%
1995	43,548,806	2,202,784	45,751,590	42,488,988	97.57%	817,108	43,306,096	99.44%

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

(1) Includes Homestead/Rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

Cleveland Heights-University Heights City School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Table 4

Tax Year/ Collection Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2004	\$ 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	35%
2003	1,066,559,720	3,047,313,486	33,561,950	38,138,580	23,331,004	101,439,148	1,123,452,674	3,186,891,213	35%
2002	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	35%
2001	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	35%
2000	926,462,620	2,647,036,057	30,906,950	35,121,534	34,917,354	139,669,415	992,286,924	2,821,827,007	35%
1999	813,037,690	2,322,964,829	26,927,490	30,599,420	23,459,179	93,836,716	863,424,359	2,447,400,965	35%
1998	802,796,940	2,293,705,543	29,159,440	33,135,727	22,936,713	91,746,852	854,893,093	2,418,588,122	35%
1997	803,313,550	2,295,181,571	29,089,580	33,056,341	24,642,983	98,571,932	857,046,113	2,426,809,844	35%
1996	751,834,700	2,148,099,143	30,118,460	34,225,523	23,934,850	95,739,400	805,888,010	2,278,064,066	35%
1995	751,385,040	2,146,814,400	30,963,200	35,185,455	22,939,216	91,756,864	805,287,456	2,273,756,719	35%

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

Cleveland Heights-University Heights City School District

Property Tax Rates – Direct and Overlapping Governments

Last Ten Years

Table 5

<u>Tax Year</u>	<u>School Levy</u>	<u>County Levy</u>	<u>City Levy</u>	<u>Metro Parks Levy</u>	<u>Library Levy</u>	<u>Tri-C Levy</u>	<u>Cleveland Port Authority Levy</u>	<u>Total Levy</u>	<u>Debt Service Included in Total Levy</u>			
									<u>School</u>	<u>County</u>	<u>City</u>	<u>Total</u>
2004/2005	129.60	13.52	13.10	1.85	5.90	2.80	0.13	166.90	3.80	0.61	6.48	10.89
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
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
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
2000/2001	120.40	14.65	14.10	1.55	5.90	0.00	0.00	156.60	3.80	0.79	6.10	10.69
1999/2002	111.00	13.75	14.80	1.55	4.00	0.00	0.00	145.10	3.80	0.85	6.80	11.45
1998/1999	111.00	13.75	14.80	1.55	4.00	0.00	0.00	145.10	3.80	0.72	6.80	11.32
1997/1998	111.00	15.05	14.80	1.55	4.00	0.00	0.00	146.40	3.80	0.60	6.80	11.20
1996/1997	111.00	15.05	13.00	1.55	4.00	0.00	0.00	144.60	3.80	0.90	5.00	9.70
1995/1996	102.10	15.05	13.00	1.55	4.00	0.00	0.00	135.70	3.80	0.87	5.00	9.67
1994/1995	102.10	15.25	13.40	1.55	4.00	0.00	0.00	136.30	3.80	0.76	5.40	9.96

Cleveland Heights-University Heights City School District

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

Table 6

<u>Fiscal Year</u>	<u>Gross General Bonded Debt</u>	<u>Less Debt Service Fund</u>	<u>Bonded Debt</u>	<u>Net General Assessed Value</u>	<u>Population</u>	<u>Ratio of Debt of Assessed Value</u>	<u>Bonded Debt Per Capita</u>
2004/2005	\$ 14,624,990	\$ 394,441	\$ 14,230,549	\$ 1,188,418,136	64,915	1.20%	\$ 219
2003/2004	15,534,990	258,667	15,276,323	1,123,452,674	64,915	1.36%	235
2002/2003	16,189,990	151,399	16,038,591	994,476,594	64,915	0.16%	247
2001/2002	11,079,990	9,484,932	1,595,058	974,823,724	64,915	0.16%	25
2000/2001	2,020,000	11,006	2,008,994	992,286,924	68,842	0.20%	29
1999/2000	2,460,000	11,006	2,448,994	863,424,359	64,915	0.28%	38
1998/1999	2,900,000	11,006	2,888,994	854,893,093	67,477	0.34%	43
1997/1998	1,800,000	48,320	1,751,680	857,046,113	67,785	0.20%	27
1996/1997	2,100,000	315,800	1,784,200	805,888,010	68,082	0.22%	31
1995/1996	2,400,000	820,040	1,579,960	805,287,456	68,354	0.20%	35
1994/1995	2,600,000	646,500	1,953,500	810,798,181	67,650	0.24%	38

Note: Estimate provided by the cities of Cleveland Heights and University Heights.

Cleveland Heights-University Heights City School District

Computation of Legal Debt Margin

June 30, 2005

Table 7

Assessed Valuation	\$ <u>1,188,418,136</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 106,957,632
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	14,624,990
Less: Amount Available in Debt Service Fund	<u>(394,441)</u>
Total	<u>14,230,549</u>
Amount of Debt Subject to the Limit	<u>14,230,549</u>
Overall Debt Margin	\$ <u>92,727,083</u>
Debt Margin - .10% of Assessed Value (1)	\$ 1,188,418
Amount of Debt Applicable	<u>-</u>
Unvoted Debt Margin	\$ <u>1,188,418</u>

Source: Cuyahoga County Auditor and School District Financial Records.

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

Cleveland Heights-University Heights City School District

Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2005

Table 8

<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>14,624,990</u>	100.00%	\$ <u>14,624,990</u>
Total Direct	<u>14,624,990</u>		<u>14,624,990</u>
Overlapping			
City of Cleveland Heights	29,114,483	70.17%	20,429,710
City of South Euclid	11,579,994	2.35%	271,593
City of University Heights	3,350,000	27.48%	920,726
Cuyahoga County	251,154,636	3.88%	9,739,001
Regional Transit Authority	<u>147,025,000</u>	3.88%	<u>5,701,175</u>
Total Overlapping	<u>442,224,113</u>		<u>37,062,205</u>
Grand Total	\$ <u>456,849,103</u>		\$ <u>51,687,195</u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations were used for the 2005 collection year.

Cleveland Heights-University Heights City School District

Ratio of Annual Debt Service Expenditures For General Obligation Bonded Debt to General Fund Expenditures

Last Ten Fiscal Years

Table 9

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (1)</u>	<u>Ratio</u>
2004/2005	\$ 910,000	\$ 596,144	\$ 1,506,144	\$ 80,024,449	1.88%
2003/2004	655,000	685,251	1,340,251	85,249,293	1.57%
2002/2003	690,000	666,702	1,356,702	99,842,231	1.36%
2001/2002	440,000	82,255	522,255	87,326,278	0.60%
2000/2001	440,000	101,600	541,600	81,018,828	0.67%
1999/2000	440,000	120,460	560,460	81,761,201	0.69%
1998/1999	-	1,611	1,611	83,755,390	0.00%
1997/1998	300,000	83,250	383,250	71,542,705	0.54%
1996/1997	300,000	93,900	393,900	67,359,876	0.58%
1995/1996	200,000	102,250	302,250	68,117,605	0.44%

Source: School District financial records

(1) Includes other financing uses. 1999-2004 on the modified accrual basis of accounting; all others reported on cash basis.

Cleveland Heights-University Heights City School District

Demographic Statistics

Last Ten Years

Table 10

<u>Year</u>	<u>County Population</u>	<u>Cleveland Heights Population(2)</u>	<u>Cleveland Heights Population(3)</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2005	1,393,978	50,769	14,146	6,711	5.90%
2004	1,393,978	50,769	14,146	6,679	4.50%
2003	1,393,978	50,769	14,146	6,821	4.50%
2002	1,380,421	50,769	14,146	6,897	4.60%
2001	1,371,717	54,052	14,790	6,891	4.60%
2000	1,371,717	50,769	14,146	6,943	4.60%
1999	1,380,696	53,277	14,200	6,617	4.50%
1998	1,412,140	53,531	14,254	6,899	4.00%
1997	1,398,169	53,773	14,309	6,790	4.70%
1996	1,412,140	53,992	14,362	7,087	4.90%

Cleveland Heights-University Heights City School District

Property Value, Financial Institution Deposits and Building Permits

Last Ten Calendar Years

Table 11

Year	Assessed Value Real Personal Property Bank (Amounts in 000's) (1)	Deposits (Amounts in 000's) (2)	Cleveland Heights Building Permits Issued		University Heights Building Permits Issued		Building Permits Issued (3)	
			Number	Value	Number	Value	Total Number	Total Value
2004	\$ 1,135,565,940	\$ 101,838,959	2,107	\$ 30,161,964	303	\$ 5,083,800	2,410	\$ 35,245,764
2003	1,066,559,720	95,761,531	2,108	26,368,502	501	7,967,649	2,609	34,336,151
2002	937,234,820	95,761,917	1,955	26,308,840	352	90,000,000	2,307	116,308,840
2001	929,693,070	63,893,769	1,953	28,678,819	312	232,583	2,265	28,911,402
2000	926,462,620	57,816,942	1,835	41,654,000	324	8,255,508	2,159	49,909,508
1999	813,037,690	58,904,596	1,945	31,780,000	325	7,610,669	2,270	39,390,669
1998	802,796,940	53,941,971	2,061	43,055,000	327	2,916,769	2,388	45,971,769
1997	803,313,550	27,068,211	2,069	41,898,000	335	8,505,375	2,323	50,403,375
1996	751,834,700	22,458,573	2,014	22,620,000	309	13,452,104	1,759	36,072,104
1995	751,385,040	20,885,453	1,537	11,772,000	222	3,001,955	1,759	14,773,955
1994	754,846,650	21,009,421	2,058	14,614,000	244	7,182,629	2,302	21,796,629

Sources: (1) Cuyahoga County Auditor's Office Data Service (the values listed pertain to the year of collection).
 (2) Federal Reserve Bank of Cleveland (total demand, time and savings deposits banks in Cuyahoga County).
 (3) Cities of Cleveland Heights and University Heights Building departments.

Cleveland Heights-University Heights City School District

Principal Taxpayers: Real Estate Tax

As of December 31, 2005

Table 12

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Kaiser Foundation Health Plan of Ohio	\$ 8,407,390	.74%
AT&T Wireless PCS	8,072,530	.71%
The Cleveland Electric Illuminating Co.	5,853,160	.52%
Ohio Bell Telephone Co.	5,842,560	.52%
Severance SPC Lease, Co., LLC	4,195,490	.37%
Kensington Ltd. Partnership	3,795,960	.33%
Severance SPE Feeco LLC	2,691,580	.24%
Concord Company	2,366,530	.21%
CAS Real Estate Company	2,206,020	.19%
City of Cleveland Heights	<u>2,153,780</u>	<u>.19%</u>
Total	\$ <u>45,585,540</u>	<u>4.02%</u>
Total Real Estate Valuation	\$ <u>1,135,565,940</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 2004

Cleveland Heights-University Heights City School District

Principal Taxpayers: Tangible Personal Property Tax

As of December 31, 2005

Table 13

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Property Assessed Value</u>
May Department Stores Co.	\$ 1,746,430	6.71%
WalMart Stores East, LP.	1,386,990	5.27%
Motorcars, Inc. Honda Cars	1,371,110	5.19%
Adelphia of the Midwest, Inc.	1,286,740	4.66%
Home Depot USA, Inc.	1,278,200	4.33%
International Securities, Ltd.	1,225,090	3.15%
Tops Markets, LLC	733,960	3.15%
Marc Glassman, Inc.	790,640	3.15%
Tops Markets, LLC	669,200	3.00%
Riser Foods Co.	<u>648,170</u>	<u>2.06%</u>
Total	\$ <u>10,073,130</u>	<u>43.17%</u>
Total Tangible Personal Property Assessed Valuation	\$ <u>22,495,796</u>	

Source: Cuyahoga County Auditor
 (1) Assessed values are for 2004

Cleveland Heights-University Heights City School District

Principal Taxpayers: Public Utilities Tax

As of December 31, 2005

Table 14

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 1,428,280	4.42%
Ohio Bell Telephone Company	847,676	2.60%
East Ohio Gas Company	417,520	1.18%
American Transmission System	184,070	.60%
Ameritech Wireless	179,736	.50%
Alltel Ohio Limited Partnership	134,070	.43%
AT&T Wireless PCS	81,260	.17%
Sprintcom, Inc.	63,660	.20%
Nextel West Corporation	32,880	.08%
New Par	<u>25,020</u>	<u>.07%</u>
Total	\$ <u>3,438,530</u>	<u>10.25%</u>
Total Public Utility Assessed Value	\$ <u>33,561,950</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 2004

Cleveland Heights-University Heights City School District

Per Pupil Cost

Last Ten Fiscal Years

Table 15

<u>Fiscal Year</u>		<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment</u>		<u>Per Pupil Cost (2)</u>
2004/2005	\$	80,024,949	6,711	\$	11,924
2003/2004		85,249,293	6,679		12,764
2002/2003		99,842,231	6,821		14,637
2001/2002		87,326,278	6,897		12,661
2000/2001		81,019,903	6,891		11,757
1999/2000		81,761,201	6,943		11,776
1998/1999		83,755,390	6,617		12,658
1997/1998		71,542,705	6,899		10,370
1996/1997		67,359,876	6,790		9,920
1995/1996		68,117,605	7,067		9,639

Source: School District Financial Records

(1) Includes other financing uses. 1999 through 2005 reported on the modified accrual basis of accounting; all others reported on cash basis.

Cleveland Heights-University Heights City School District

Teacher Education and Experience

June 30, 2005

Table 16

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	132	27.91%
Master's Degree	338	71.46%
Ph.D.	3	.63%
Total	<u>473</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	142	30.29%
6 - 10	97	20.51%
11 and over	234	49.47%
	<u>473</u>	<u>100.00%</u>

SOURCE: School District Personnel Records

Goals Statement

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

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



About The Cover

The cover features the logos of the five small schools of Heights High providing rigor, relevance and relationships through smaller learning communities. The schools are Legacy, Mosaic Experience, P.R.I.D.E., R.E.A.L., and Renaissance.

About The Artwork

The artwork displayed throughout this report was created by Cleveland Heights-University Heights City School District Elementary Students. We are grateful to them for allowing us to showcase their artistic talents.



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

Single Audit Reports

June 30, 2005

Cleveland Heights – University Heights City School District

For the year ended June 30, 2005

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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 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 School District (the “District”), as of and for the year ended June 30, 2005, which collectively comprise the District’s basic financial statements and have issued our report thereon dated November 22, 2005, wherein we noted that the District adopted Government Accounting Standards Board Technical Bulletin No. 2004-2. 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

In planning and performing our audit, we considered the Cleveland Heights - University Heights School District’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the District in a separate letter dated November 22, 2005.

Board of Education
Cleveland Heights – University Heights
City School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cleveland Heights - University Heights School 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance and other matters which we have reported to management of the District in a separate letter dated November 22, 2005.

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

Cini & Panichi, Inc.

Cleveland, Ohio
November 22, 2005

**Report on Compliance with Requirements Applicable to
Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133**

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

Compliance

We have audited the compliance of the Cleveland Heights - University Heights School District (the "District"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. 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 Cleveland Heights - University Heights School 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 requirements referred to above that are applicable to its major federal program for the year ended June 30, 2005.

Board of Education
Cleveland Heights – University Heights
City School District

Internal Control Over Compliance

The management of the Cleveland Heights - University Heights School 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 Cleveland Heights - University Heights School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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, 2005, and have issued our report there on dated November 22, 2005, wherein we noted the District adopted Government Accounting Standards Board Technical Bulletin No. 2004-2.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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 District's basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the District's Board of Education, finance committee, management, the Auditor of 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
November 22, 2005

Cleveland Heights – University Heights City School District

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Number	Receipts	Non-cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture:						
Passed-Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution	10.550	N/A	\$ -	\$ 126,096	\$ -	\$ 126,096
School Breakfast Program	10.553	05-PU-2004	48,567	-	48,567	-
School Breakfast Program	10.553	05-PU-2005	<u>144,568</u>	<u>-</u>	<u>144,568</u>	<u>-</u>
Subtotal School Breakfast Program			<u>193,135</u>	<u>-</u>	<u>193,135</u>	<u>-</u>
School Lunch Program						
	10.555	LL-P1-2004	3,069	-	3,069	-
	10.555	LL-P4-2005	21,016	-	21,016	-
	10.555	LL-P4-2004	<u>965,626</u>	<u>-</u>	<u>965,626</u>	<u>-</u>
Subtotal National School Lunch Program			<u>989,711</u>	<u>-</u>	<u>989,711</u>	<u>-</u>
Total U.S. Department of Agriculture – Nutrition Cluster			<u>1,182,846</u>	<u>126,096</u>	<u>1,182,846</u>	<u>126,096</u>
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Special Education Cluster:						
Title VI-B	84.027	6B-SF-2004	84,469	-	86,416	-
Title VI-B	84.027	6B-SF-2005	<u>1,160,006</u>	<u>-</u>	<u>1,182,320</u>	<u>-</u>
Subtotal Title VI-B			<u>1,244,475</u>	<u>-</u>	<u>1,268,736</u>	<u>-</u>
Special Education – Preschool Grant	84.173	PG-S1-2004	1,780	-	1,161	-
Special Education – Preschool Grant	84.173	PG-S1-2005	39,112	-	40,490	-
Special Education – Preschool Grant	84.173A	PG-D7-2004	<u>-</u>	<u>-</u>	<u>1,254</u>	<u>-</u>
Subtotal Preschool Grant			<u>40,892</u>	<u>-</u>	<u>42,905</u>	<u>-</u>
Total Special Education Cluster			<u>1,285,367</u>	<u>-</u>	<u>1,311,641</u>	<u>-</u>
Adult Education – State Grant Program	84.002	AB-S1-2003C	6,455	-	6,455	-
Adult Education – State Grant Program	84.002	AB-S1-2005	<u>143,957</u>	<u>-</u>	<u>245,565</u>	<u>-</u>
Total Adult Education – State Grant Program			<u>150,412</u>	<u>-</u>	<u>252,020</u>	<u>-</u>
Title I	84.010	C1-S1-2004	122,523	-	143,771	-
Title I	84.010	C1-S1-2005	1,075,985	-	982,522	-
Title I	84.010	C1-SN-2005	<u>51,397</u>	<u>-</u>	<u>46,654</u>	<u>-</u>
Total Title I			<u>1,249,905</u>	<u>-</u>	<u>1,172,947</u>	<u>-</u>
Vocational Education	84.048	20-C1-2004	7,960	-	19,259	-
Vocational Education	84.048	20-C1-2005	<u>321,427</u>	<u>-</u>	<u>269,121</u>	<u>-</u>
Total Vocational Education			<u>329,387</u>	<u>-</u>	<u>288,380</u>	<u>-</u>
Drug-Free Schools Grant	84.186	DR-S1-2004	3,839	-	5,250	-
Drug-Free Schools Grant	84.186	DR-S1-2005	<u>29,019</u>	<u>-</u>	<u>32,185</u>	<u>-</u>
Total Drug-Free Schools Grant			<u>32,858</u>	<u>-</u>	<u>37,435</u>	<u>-</u>
Technology Literacy Challenge Fund Grant	84.318	TJ-51-2004	16,796	-	26,742	-
Technology Literacy Challenge Fund Grant	84.318	TJ-51-2005	<u>12,730</u>	<u>-</u>	<u>12,778</u>	<u>-</u>
Total Technology Literacy Challenge Fund Grant			<u>29,526</u>	<u>-</u>	<u>39,520</u>	<u>-</u>
Even Start	84.213	EV-S1-2004	11,969	-	7,994	-
Even Start	84.213C	EV-S1-2005	<u>163,949</u>	<u>-</u>	<u>186,982</u>	<u>-</u>
Total Even Start			<u>175,918</u>	<u>-</u>	<u>194,976</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, 2005

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Number	Receipts	Non-cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Innovative Education Program Strategy	84.298	C2-S1-2004	2,799	-	1,649	-
Innovative Education Program Strategy	84.298	C2-S1-2005	64,084	-	65,268	-
Total Innovative Education Program Strategy			66,883	-	66,917	-
English Language Acquisition Grant	84.365	TS-S1-2004	4,572	-	10,858	-
English Language Acquisition Grant	84.365	TS-S1-2005	2,123	-	139	-
Total English Language Acquisition Grant			6,695	-	10,997	-
Improving Teacher Quality State Grant	84.367	MS-S1-2004	41,722	-	38,455	-
Improving Teacher Quality State Grant	84.367	MS-S1-2005	427,464	-	423,023	-
Total Improving Teacher Quality State Grant			469,186	-	461,478	-
Safe and Drug Free Schools and Communities National Program	84.184C	T4-S1-2003	3,145	-	3,300	-
Safe and Drug Free Schools and Communities National Program	84.184C	T4-S1-2004	175	-	307	-
Total Safe and Drug Free Schools and Communities National Program			3,320	-	3,607	-
Safe and Drug Free Schools and Communities – Healthy Students Initiative	84.184L	N/A	2,093,360	-	2,072,475	-
Smaller Learning Communities	84.215L	N/A	85,048	-	90,935	-
Total U.S. Department of Education			5,977,865	-	6,003,328	-
U.S. Department of Health and Human Services:						
Passed-Through Ohio Department of Mental Retardation and Developmental Disabilities:						
MH Medicaid	93.778	N/A	1,002,360	-	1,002,360	-
State Children’s Health Insurance Program	93.767	N/A	62,238	-	62,238	-
			1,064,598	-	1,064,598	-
Passed-Through Department of Education:						
Refugee Children School Impact Program	93.576	N/A	-	-	1,401	-
Total Department of Health and Human Services			1,064,598	-	1,065,999	-
Corporation for National and Community Service:						
Learn and Serve America	94.004	SV-S1-2004	-	-	270	-
Learn and Serve America	94.004	SV-S1-2005	4,500	-	8,881	-
Total Learn and Serve America			4,500	-	9,151	-
Total Expenditures of Federal Awards			\$ 8,229,899	\$ 126,096	\$ 8,261,324	\$ 126,096

The accompanying notes are an integral part of this schedule

Cleveland Heights – University Heights City School District

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2005

Note 1: Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards 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.

Non-Cash Support

The District receives non-cash support in the form of food subsidies from the National School Lunch Program (“NSLP”), CFDA 10.550. The value of the food subsidies is determined by using the fair market value of the food items as quoted by local food suppliers.

CFDA – Catalog of Federal Domestic Assistance

Cleveland Heights – University Heights City School District

Schedule Of Findings
OMB Circular A-133 Section .505

June 30, 2005

1. SUMMARY OF AUDITOR’S RESULTS

(d)(I)(i)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs’ Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .501?	No
(d)(I)(vii)	Major Programs	Title I CFDA No. 84.010; Special Education Cluster CFDA No. 84.027 & 84.173
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A:>\$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

None noted.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings for federal awards to report in 2005.

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

**2155 Miramar Boulevard
University Heights, Ohio 44118
(216) 371-7171**

**Response To Findings Associated With Audit Conducted
In Accordance With *Government Auditing Standards***

June 30, 2005

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
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Not applicable.



**Auditor of State
Betty Montgomery**

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800-282-0370

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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
JANUARY 17, 2006**