



**CLEVELAND HEIGHTS / UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2004



**Auditor of State
Betty Montgomery**

Board of Education
Cleveland Heights University Heights City School District
2155 Miramar Boulevard
University Heights, Ohio 44118

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, 2003 through June 30, 2004. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

January 4, 2005

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INTRODUCTORY *Section*



PATRICK REVILLE
Grade 12, Cleveland Heights High School



ASHLEY GRIFFIN
Grade 11, Cleveland Heights High School

*Cleveland Heights-University Heights
City School District*

UNIVERSITY HEIGHTS, OHIO

COMPREHENSIVE ANNUAL
FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED
JUNE 30, 2004

ISSUED BY: TREASURER'S OFFICE, A. SCOTT GAINER, TREASURER

TAVONNE JOLLY

Grade 7, Wiley Middle School



EMMANUEL ROBERTS

Grade 7, Wiley Middle School

Cleveland Heights-University Heights City School District

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, 2004

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A. Scott Gainer
Treasurer

December 9, 2004

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 fourth Comprehensive Annual Financial Report (CAFR). This report is the District's official annual financial report for the fiscal year ended June 30, 2004. This report presents the 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 2004 fiscal year.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the 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, 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 Independent Accountants 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.

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 6,679 students in grades kindergarten through twelve. Additionally, the District provides preschool, after school, and adult education services. The District covers approximately 9.6 square miles, serving the cities of Cleveland Heights, University Heights, and a small portion of South Euclid, and is located approximately ten miles southeast of downtown Cleveland.

Highlights of the history of the Cleveland Heights-University Heights City School District are as follows:

- 1901 East Cleveland Township School Board formed (included the hamlet of Cleveland Heights)
- 1902 Passed issue to build Lee Road School
- 1903 Cleveland Heights became a village
- 1904 District renamed Cleveland Heights School District
- 1905 Expansion of Lee Road School
- 1906 Roxboro Elementary School built
- 1907 First graduation at Heights High
- 1916 Fairfax Elementary School built
- 1916 New high school built on Lee Road site
- 1919 Coventry Elementary School built
- 1922 Noble Elementary School built
- 1923 Taylor Elementary School built
- 1924 Boulevard Elementary School built
- 1925 Oxford Elementary School built
- 1926 New high school at Cedar and Lee Roads built
- 1926 Roosevelt Junior High School built
- 1926 Roxboro Junior High School built
- 1927 Canterbury Elementary School built
- 1929 Superior Opportunity School built
- 1930 Monticello Junior High School built
- 1942 District became Cleveland Heights-University Heights City School District
- 1948 Northwood Elementary School built
- 1949 Belvoir Elementary School built
- 1953 Millikin Elementary School built
- 1954 Wiley Junior High School built
- 1964 Board Administration Building opened
- 1972 Bond issue to construct new Coventry, Boulevard, Fairfax, and Taylor school buildings
- 1987 Northwood Elementary School sold
- 1993 Belvoir School renamed Lauree P. Gearity Elementary School

Organizational Structure

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

The Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. Excluded from the reporting entity, because they are fiscally independent of the District, are the City of Cleveland Heights, the City of University Heights, the Parent Teacher Organization, and the parochial and private schools operating within the boundaries of the District.

The District is associated with two organizations, the Ohio Schools' Council and the Cleveland Heights-University Heights Public Library. The Ohio Schools' Council is a jointly governed organization whose relationship to the District is described in Note 16 to the accompanying financial statements. The Cleveland Heights-University Heights Public Library is a related organization and is described in Note 17 to the accompanying financial statements.

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

Economic Condition and Outlook

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 2004. In the City of University Heights, construction was completed on University Square, retail space built around a multi-story parking garage including a new Kaufmann's department store, a Tops grocery store, and a Target department store as anchors.

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 funding 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. After operating levy defeats in May and November of 2003, 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 2007, based on assumptions as documented in the District's 5-year forecast submitted to the Ohio Department of Education.

Major Initiatives and Future Projects

The District continues implementation of the Ohio High School Transformation Initiative, which will transform 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 will open in 2005-2006. This initiative is based on research that demonstrates that smaller schools benefit all students, from high-performing to marginally achieving. Students graduate from small schools at higher rates than from traditional high schools, they earn higher grade point averages, and participate in extracurricular activities in greater numbers. All students receive more personalized attention than in traditional, large high schools. \$2 million was received by the District to implement this initiative from the Bill and Melinda Gates Foundation through the Knowledgeworks Foundation.

The District issued \$5.8 million in House Bill 264 Energy Conservation Bonds, as well as received \$5.5 million by participating in the Federal Qualified Zone Academy Bond program, to leverage District resources for significant capital improvements which will continue in the 2004-2005 school year.

To address lost revenue from two failed attempts in calendar year 2003, the Board made \$6 million in permanent budget reductions effective for the 2004-2005 school year. The Board and administration have committed to ongoing fiscal responsibility and accountability.

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 for governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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

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

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

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the site administrator or central office administrator and be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to 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 second 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 new 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 2004 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 \$1,457,402 at June 30, 2004 compared with net assets of \$2,866,965 at June 30, 2003. 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 2004, the District earned \$169,792 in interest income of which \$148,376 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 risk 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 15 to the financial statements.

The District contracts for general liability insurance with Nationwide-Wausau Insurance Company. The limits of coverage are \$1,000,000 per occurrence and \$5,000,000 aggregate.

Independent Audit

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 and 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, 2004. 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.

Awards

GFOA Certificate of Achievement 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, 2003. This was the third 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, 2003. 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 James G. Zupka, CPA, 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 2004



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

A. Scott Gainer

Treasurer

Cleveland Heights-University Heights City School District, Ohio



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan'.

Executive Director

Date September 20, 2004

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

CLEVELAND HEIGHTS-UNIVERSITY
HEIGHTS CITY SCHOOLS

For its Comprehensive Annual Financial Report (CAFR)
- For the Fiscal Year Ended June 30, 2003

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

William A. Kelly
President

Barbara W. Keller
Executive Director

*Cleveland Heights-University Heights
City School District*

PRINCIPAL OFFICIALS

June 30, 2004

BOARD OF EDUCATION

Mr. Ronald Register, *President*

Mr. Mark Phillips, *Vice-President*

Ms. Barbara Hodgkiss, *Member*

Mrs. Bernice Jefferis, *Member*

Ms. Wendy Leatherberry, *Member*

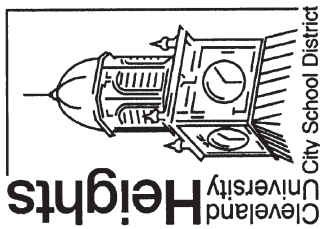
TREASURER

Mr. A. Scott Gainer

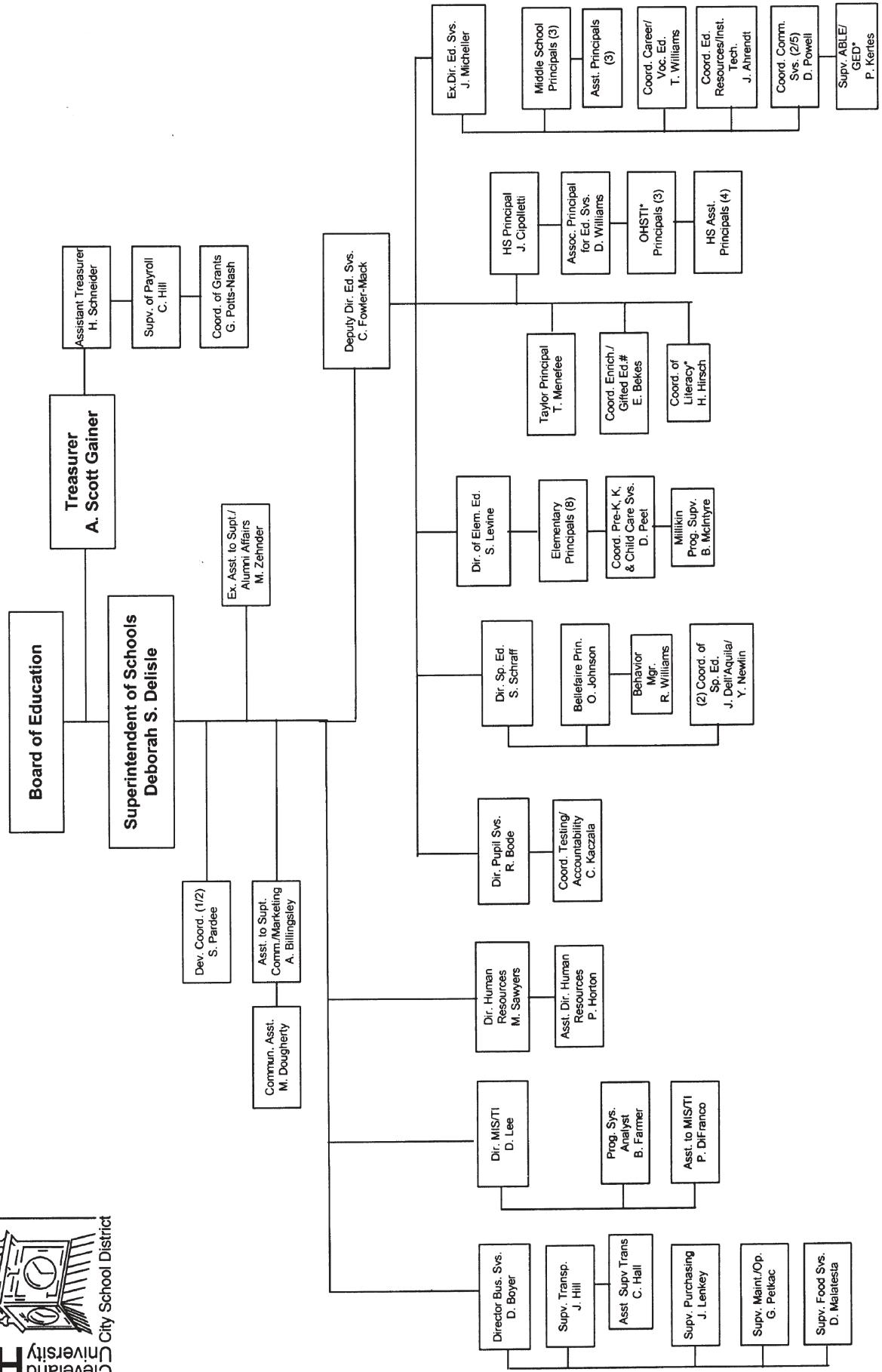
SUPERINTENDENT

Mrs. Deborah Delisle





Cleveland Heights-University Heights Board of Education Organizational Chart 2003-2004



*Funded totally by grant
#Funded partially by state funding

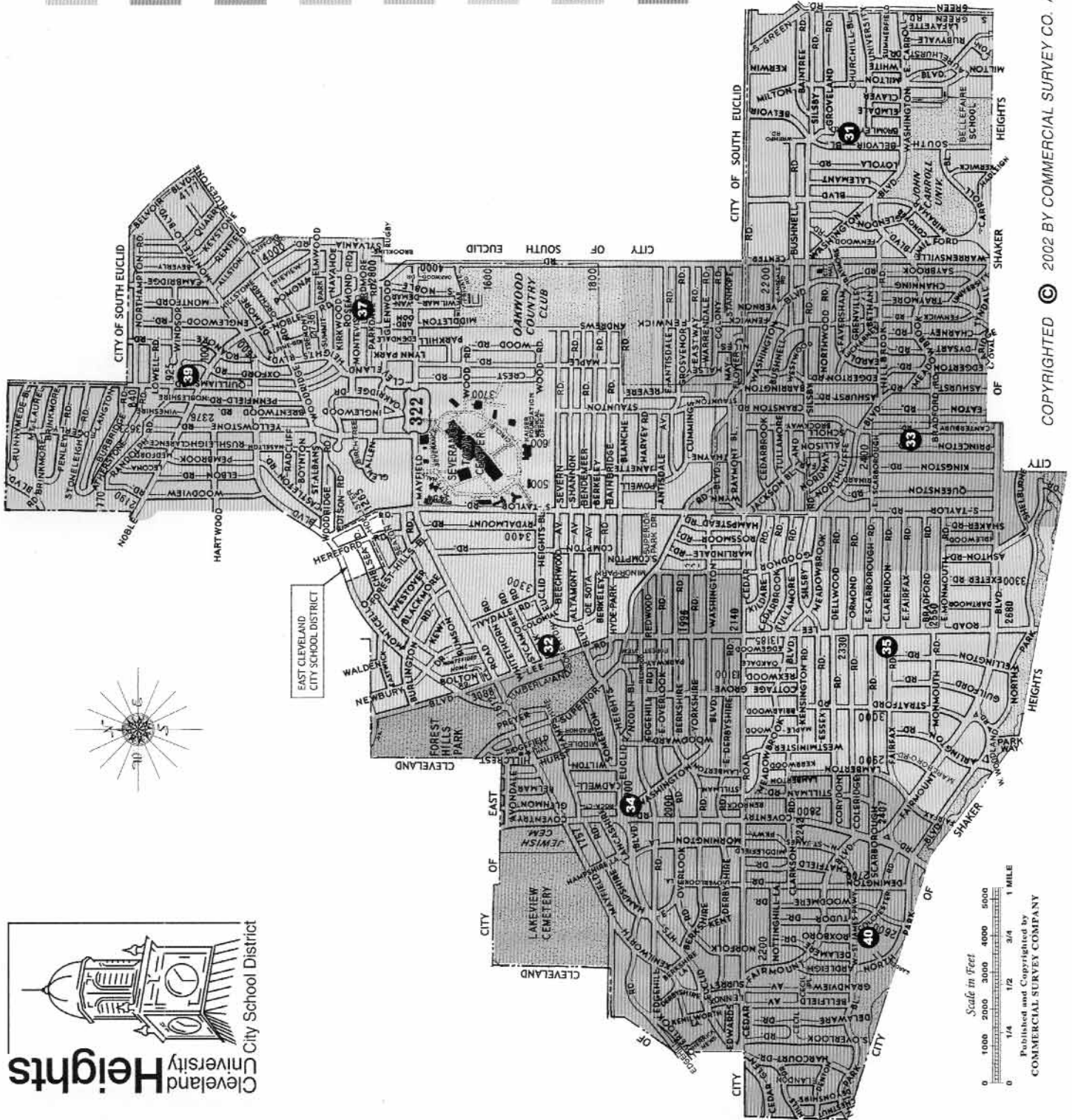
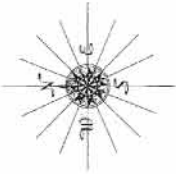


KYLE THERRIEN
Grade 12, Cleveland Heights High School



KERSTIN BROWN
Grade 8, Monticello Middle 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



21

MIDDLE SCHOOLS
 Monticello Middle School
 3665 Monticello Boulevard
 Cleveland Hts., OH 44121-1599
 216-371-6520

22

Roxboro Middle School
 2400 Roxboro Road
 Cleveland Hts., OH 44106-3698
 216-371-7440

23

Wiley Middle School
 2181 Miramar Boulevard
 University Hts., OH 44118-3394
 216-371-7270

10

HIGH SCHOOL

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

01

OTHER SITES

Board of Education
 2155 Miramar Boulevard
 University Hts., OH 44118-3397
 216-371-7171

36

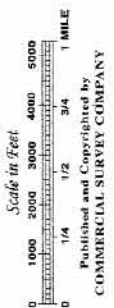
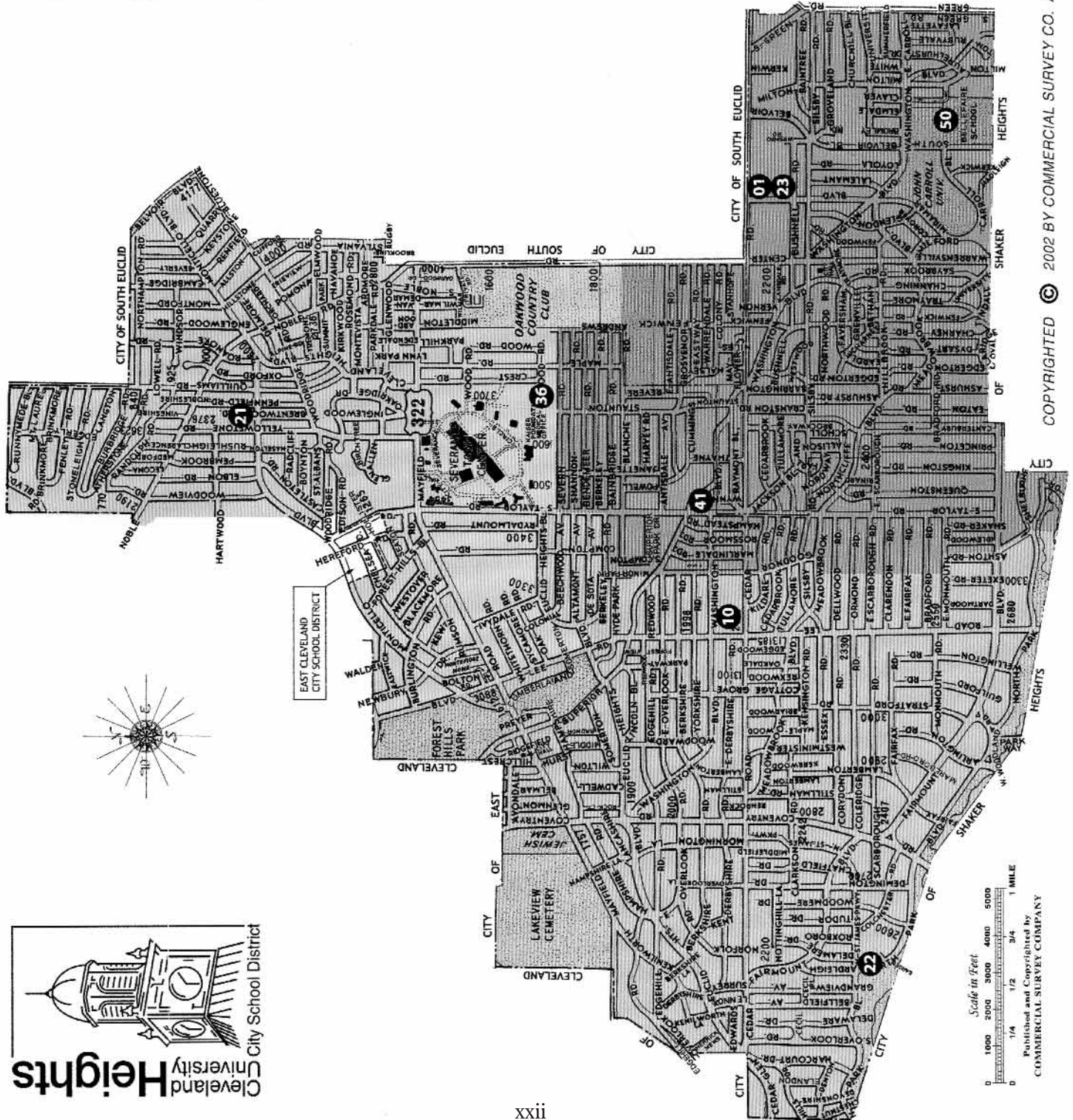
Millikin Early Childhood Center
 1700 Crest Road
 Cleveland Hts., OH 44121-1726
 216-371-7356

41

Taylor Academy
 14780 Superior Road
 Cleveland Hts., OH 44118-2143
 216-371-7463

50

Bellefaire School
 22001 Fairmount Boulevard
 Cleveland Hts., OH 44118-4898
 216-932-6700



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FINANCIAL *Section*



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CPAs and Business Advisors

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, 2004, 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 an opinion 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, 2004, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2004 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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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
December 9, 2004

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2004
Unaudited

The discussion and analysis of the Cleveland Heights-University Heights City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2004. 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 financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

- Net assets of governmental activities increased by \$2,927,081.
- General revenues accounted for \$84,177,905 in revenue or 80 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$21,198,408 or 20 percent of total revenues of \$105,376,313.
- Total assets of governmental activities increased by \$7,612,552 as cash and cash equivalents and investments decreased by \$8,133,338 and capital assets increased by \$7,380,504.
- The District had \$95,362,662 in expense related to governmental activities; only \$14,379,293 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues of \$83,910,450 were adequate to provide for these programs.
- Among major funds, the general fund had \$84,114,314 in revenues and other financing sources and \$85,249,293 in expenditures and other financing uses. The general fund's fund balance declined to \$17,046,210 from \$18,221,410. The District passed an 8.5 mill operating levy in March 2004 and made \$6,000,000 in budget reductions.
- Net assets for enterprise funds increased by \$254,447.

Using this Comprehensive Annual Financial Report (CAFR)

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

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2004
Unaudited

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 provides the next level of detail. For governmental funds, these statements tell how services were financed in the short term, as well as what remains for future spending. The fund financial statements also look at the District's most significant funds, with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The Statement of Net Assets and Statement of Activities answer this question. These statements include *all assets* and *all liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. 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 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 District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 13 of the financial statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, debt service fund, the permanent improvement capital projects fund, and the Bellefaire general rotary enterprise fund.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2004
Unaudited

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 all 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and Statement of Activities) and governmental *funds* is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2004 compared to 2003:

Table 1 - Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003**</u>	<u>2004</u>	<u>2003**</u>	<u>2004</u>	<u>2003</u>
Assets						
Current and						
Other Assets	\$ 94,181,103	\$ 93,949,055	\$ (187,356)	\$ (382,038)	\$ 93,993,747	\$ 93,567,017
Capital Assets	<u>27,175,348</u>	<u>19,794,844</u>	<u>668,822</u>	<u>661,924</u>	<u>27,844,170</u>	<u>20,456,768</u>
Total Assets	<u>\$121,356,451</u>	<u>\$113,743,899</u>	<u>\$ 481,466</u>	<u>\$ 279,886</u>	<u>\$121,837,917</u>	<u>\$114,023,785</u>
Liabilities						
Long-Term Liabilities	\$ 28,072,590	\$ 22,553,472	\$ 221,666	\$ 212,722	\$ 28,294,256	\$ 22,766,194
Other Liabilities	<u>57,745,865</u>	<u>58,579,512</u>	<u>212,581</u>	<u>274,392</u>	<u>57,958,446</u>	<u>58,853,904</u>
Total Liabilities	<u>85,818,455</u>	<u>81,132,984</u>	<u>434,247</u>	<u>487,114</u>	<u>86,252,702</u>	<u>81,620,098</u>
Net Assets						
Invested in Capital						
Assets Net of Debt	20,600,881	12,716,152	668,822	661,924	21,269,703	13,378,076
Restricted	3,408,945	6,877,146	0	0	3,408,945	6,877,146
Unrestricted (Deficit)	<u>11,528,170</u>	<u>13,017,617</u>	<u>(621,603)</u>	<u>(869,152)</u>	<u>10,906,567</u>	<u>12,148,465</u>
Total Net Assets	<u>\$ 35,537,996</u>	<u>\$ 32,610,915</u>	<u>\$ 47,219</u>	<u>\$ (207,228)</u>	<u>\$ 35,585,215</u>	<u>\$ 32,403,687</u>

** Capital assets were restated at 6/30/2003

Total assets increased by \$7,814,132. Cash decreased by \$8,151,311. Taxes receivable totaled \$68,368,996, of which \$49,983,796 is offset as deferred revenue, which is to be used in future periods. Taxes receivable increased from 2003 due to an increase in property taxes. Total capital assets increased by \$7,387,402. 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, decreased by \$1,241,898.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2004
Unaudited

Table 2 provides a comparative analysis of the changes in net assets from fiscal year 2003 to fiscal year 2004.

Table 2 - Change in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues				
Program Revenues:				
Charges for Services	\$ 5,381,228	\$ 2,867,838	\$ 4,997,020	\$ 4,288,102
Operating Grants, Contributions, and Interest	8,941,134	8,826,745	1,822,095	1,909,281
Capital Grants and Contributions	56,931	56,288	0	0
General Revenue:				
Property Taxes	62,188,992	53,660,377	0	0
Grants and Entitlements	21,819,121	16,603,073	0	0
Investment Earnings	169,792	260,631	0	0
Total Revenues	<u>\$ 98,557,198</u>	<u>\$ 82,274,952</u>	<u>\$ 6,819,115</u>	<u>\$ 6,197,383</u>
Program Expenses				
Instruction:				
Regular	\$ 36,417,770	\$ 34,958,355	\$ 0	\$ 0
Special	7,890,280	7,570,304	0	0
Vocational	1,774,417	1,839,843	0	0
Adult/Continuing	238,686	249,789	0	0
Other	2,664,644	2,454,574	0	0
Support Services				
Pupil	9,177,483	7,951,089	0	0
Instructional Staff	5,524,342	5,056,893	0	0
Board of Education	579,903	491,748	0	0
Administration	5,999,231	5,514,641	0	0
Fiscal	1,554,698	1,964,999	0	0
Business	5,187,483	2,494,829	0	0
Operation and Maintenance of Plant	8,631,086	11,645,982	0	0
Pupil Transportation	3,403,554	3,253,212	0	0
Central	2,641,862	2,976,889	0	0
Operation of Non-Instructional Services:				
Community Service	1,772,402	2,280,063	0	0
Other	63,510	101,502	0	0
Extracurricular Activities	1,108,523	1,170,728	0	0
Capital Outlay	0	122,904	0	0
Interest and Fiscal Charges	732,788	610,196	0	0
Food Service	0	0	2,474,965	2,539,369
Uniform School Supplies	0	0	70,813	40,248
Customer Services	0	0	33,077	47,037
Community Services/Early Childhood	0	0	1,395,290	1,286,944
Bellefaire General Rotary	0	0	2,857,978	2,953,518
Total Program Expenses	<u>95,362,662</u>	<u>92,708,540</u>	<u>6,832,123</u>	<u>6,867,116</u>
Increase (Decrease in Net Assets before Transfers	3,194,536	(10,433,588)	(13,008)	(669,733)
Transfers	(267,455)	(545,509)	267,455	545,509
Total Increase (Decrease) in Net Assets	<u>\$ 2,927,081</u>	<u>\$ (10,979,097)</u>	<u>\$ 254,447</u>	<u>\$ (124,224)</u>

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2004
Unaudited

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. Also, the District replaced an expiring 3.8 mill Permanent Improvement levy in November 2003 and received a half year collection on the new tax valuation in 2003-2004, resulting in additional property tax revenue in the capital projects fund.

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 were 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 the voters to maintain a constant level of service. Property taxes made up 63 percent of revenues for governmental activities for the District in fiscal year 2004.

Instruction comprises 51 percent of governmental program expenses. Interest expense was 0.8 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. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3 - Governmental Activities

	Total Cost of Services 2004	Total Cost of Services 2003	Net Cost of Services 2004	Net Cost of Services 2003
Instruction	\$ 48,985,797	\$ 47,072,865	\$ (37,526,913)	\$ (38,591,667)
Support Services:				
Pupil and Instructional Staff	14,701,825	13,007,982	(14,099,739)	(12,188,333)
Board of Education, Administration, Fiscal, and Business	13,321,315	10,466,217	(13,321,315)	(10,410,937)
Operation and Maintenance of Plant	8,631,086	11,645,982	(8,631,086)	(11,600,482)
Pupil Transportation	3,403,554	3,253,212	(3,277,555)	(3,010,032)
Central Services	2,641,862	2,976,889	(2,641,862)	(2,950,669)
Operation of Non-Instructional Service	1,835,912	2,381,565	(61,601)	(418,576)
Extracurricular Activities	1,108,523	1,170,728	(690,510)	(1,053,873)
Capital Outlay	0	122,904	0	(122,904)
Interest and Fiscal Charges	732,788	610,196	(732,788)	(610,916)
Total Expenses	<u>\$95,362,662</u>	<u>\$ 92,708,540</u>	<u>\$(80,983,369)</u>	<u>\$ (80,958,389)</u>

The dependence upon tax revenues for governmental activities is apparent.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2004
Unaudited

The School District's Funds

The District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue and other financing sources of \$109,037,630 and expenditures and other financing sources of \$108,596,490. As previously discussed, the District made budget cuts for the 2004 year.

General Fund Budgeting Highlights

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 2004, the District amended its general fund budget, but not significantly. The District uses a modified site-based budgeting technique which is designed to tightly control site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue and financing sources estimate was \$79,933,069. The original budgeted estimate was \$77,891,548. During fiscal year 2004, the District budgeted \$51,000,000 for property tax revenue. The District only received \$50,253,533 in property tax revenue. This variance was simply caused by over-estimation of the revenue line item.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2004, the District had \$27,844,170 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal year 2004 balances compared to 2003:

Table 4 - Capital Assets at June 30 (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003**	2004	2003**	2004	2003
Land and Land Improvements	\$ 4,063,773	\$ 3,447,480	\$ 868	\$ 993	\$ 4,064,641	\$ 3,448,473
Buildings and Improvements	15,760,499	13,808,888	610,369	623,759	16,370,868	14,432,647
Furniture and Equipment	1,060,806	978,044	34,323	37,172	1,095,129	1,015,216
Vehicles	1,617,637	1,560,432	23,262	0	1,640,899	1,560,432
Construction in Progress	4,672,633	0	0	0	4,672,633	0
Total Capital Assets	\$ 27,175,348	\$ 19,794,844	\$ 668,822	\$ 661,924	\$ 27,844,170	\$ 20,456,768

** Capital assets were restated at 6/30/2003

Overall capital assets increased \$7,387,402 from fiscal year 2003 to fiscal year 2004. Increase in capital assets (primarily building improvements) was offset by \$795,936 depreciation expense for the year. Additional information can be obtained in Note 10 of the notes to the basic financial statements.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2004
Unaudited

The majority of building improvements and equipment purchased during fiscal year 2004 was for building improvements/energy conservation, computer equipment, and various school projects.

Debt

At June 30, 2004, the District had \$21,034,990 in bonds outstanding, \$1,276,666 due within one year. Library improvement bonds of \$9.3 million are being retired with the tax millage received on behalf of the Library. The District issued \$5.8 million in additional energy conservation bonds and entered into a National Zone Academy Bond Capital Lease of \$5.5 million during the fiscal year. Table 5 summarizes bonds and notes outstanding.

Table 5 - Outstanding Debt at Year End

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
1993 Series Energy Conservation	\$ 0	\$ 300,000
1998 Series Energy Conservation	700,000	840,000
2003 Series Energy Conservation	5,800,000	5,800,000
2002 Library Improvement Bonds	9,034,990	9,249,990
National Zone Academy Bond Capital Lease	<u>5,500,000</u>	<u>0</u>
Total	<u>\$ 21,034,990</u>	<u>\$ 16,189,990</u>

Economic Factors

The District is dependent on its 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 the 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, 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 any questions about this report or need additional information, contact Scott Gainer, Treasurer/CFO at Cleveland Heights-University Heights City School District at (216) 320-2078.

BASIC FINANCIAL *Statements*



KATE KALAFAT
*Grade 12,
Cleveland Heights High School*



MARGARET WEBSTER
*Grade 10,
Cleveland Heights High School*



CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 12,909,469	\$ 111,043	\$ 13,020,512
Receivables:			
Taxes	68,368,996	0	68,368,996
Accounts	107,070	18,327	125,397
Intergovernmental	4,046,007	5,169,293	9,215,300
Internal Balances	5,536,821	(5,536,821)	0
Inventory Held for Resale	0	47,272	47,272
Materials and Supplies Inventory	233,766	3,530	237,296
Investments	2,978,974	0	2,978,974
Nondepreciable Capital Assets	6,654,256	0	6,654,256
Depreciable Capital Assets, Net	<u>20,521,092</u>	<u>668,822</u>	<u>21,189,914</u>
Total Assets	<u>121,356,451</u>	<u>481,466</u>	<u>121,837,917</u>
<u>Liabilities</u>			
Accounts Payable	837,281	2,614	839,895
Contracts Payable	432,867	0	432,867
Accrued Wages and Benefits	2,383,105	85,334	2,468,439
Intergovernmental Payable	3,716,380	122,873	3,839,253
Deferred Revenue	49,982,036	1,760	49,983,796
Accrued Interest Payable	55,387	0	55,387
Claims Payable	338,809	0	338,809
Long-Term Liabilities:			
Due Within One Year	2,732,940	16,817	2,749,757
Due In More Than One Year	<u>25,339,650</u>	<u>204,849</u>	<u>25,544,499</u>
Total Liabilities	<u>85,818,455</u>	<u>434,247</u>	<u>86,252,702</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	20,600,881	668,822	21,269,703
Restricted for:			
Capital Projects	1,626,641	0	1,626,641
Other Purposes	1,782,304	0	1,782,304
Unrestricted (Deficit)	<u>11,528,170</u>	<u>(621,603)</u>	<u>10,906,567</u>
Total Net Assets	<u>\$ 35,537,996</u>	<u>\$ 47,219</u>	<u>\$ 35,585,215</u>

See accompanying notes to the basic financial statements.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 36,417,770	\$ 3,079,957	\$ 3,483,264	\$ 48,750	\$ (29,805,799)	\$ 0	\$ (29,805,799)
Special	7,890,280	0	4,799,905	0	(3,090,375)	0	(3,090,375)
Vocational Education	1,774,417	0	15,476	0	(1,758,941)	0	(1,758,941)
Adult/Continuing	238,686	0	0	0	(238,686)	0	(238,686)
Other	2,664,644	31,532	0	0	(2,633,112)	0	(2,633,112)
Support Services:							
Pupil	9,177,483	0	32,558	0	(9,144,925)	0	(9,144,925)
Instructional Staff	5,524,342	0	569,528	0	(4,954,814)	0	(4,954,814)
Board of Education	579,903	0	0	0	(579,903)	0	(579,903)
Administrative	5,999,231	0	0	0	(5,999,231)	0	(5,999,231)
Fiscal Services	1,554,698	0	0	0	(1,554,698)	0	(1,554,698)
Business	5,187,483	0	0	0	(5,187,483)	0	(5,187,483)
Operation and Maintenance							
of Plant Services	8,631,086	0	0	0	(8,631,086)	0	(8,631,086)
Pupil Transportation	3,403,554	87,728	30,090	8,181	(3,277,555)	0	(3,277,555)
Central Services	2,641,862	0	0	0	(2,641,862)	0	(2,641,862)
Operation of Non-Instructional Services:							
Community Service	1,772,402	1,684,986	10,313	0	(77,103)	0	(77,103)
Other	63,510	79,012	0	0	15,502	0	15,502
Extracurricular Activities	1,108,523	418,013	0	0	(690,510)	0	(690,510)
Interest and Fiscal Charges	732,788	0	0	0	(732,788)	0	(732,788)
Total Governmental Activities	<u>95,362,662</u>	<u>5,381,228</u>	<u>8,941,134</u>	<u>56,931</u>	<u>(80,983,369)</u>	<u>0</u>	<u>(80,983,369)</u>
Business-Type Activities							
Food Service	2,474,965	1,127,693	1,017,510	0	0	(329,762)	(329,762)
Uniform School Supplies	70,813	77,652	0	0	0	6,839	6,839
Customer Services	33,077	18,245	0	0	0	(14,832)	(14,832)
Community Svcs/Early Childhood	1,395,290	1,181,284	0	0	0	(214,006)	(214,006)
Bellefaire General Rotary	2,857,978	2,592,146	804,585	0	0	538,753	538,753
Total Business-Type Activities	<u>6,832,123</u>	<u>4,997,020</u>	<u>1,822,095</u>	<u>0</u>	<u>0</u>	<u>(13,008)</u>	<u>(13,008)</u>
Totals	<u>\$102,194,785</u>	<u>\$ 10,378,248</u>	<u>\$ 10,763,229</u>	<u>\$ 56,931</u>	<u>(80,983,369)</u>	<u>(13,008)</u>	<u>(80,996,377)</u>
General Revenues and Transfers							
Property Taxes Levied for:							
General Purposes					56,364,919	0	56,364,919
Debt Service					894,502	0	894,502
Capital Outlay					4,929,571	0	4,929,571
Grants and Entitlements not Restricted to Specific Programs					21,819,121	0	21,819,121
Investment Earnings					169,792	0	169,792
Transfers - Internal Activity					(267,455)	267,455	0
Total General Revenues and Transfers					<u>83,910,450</u>	<u>267,455</u>	<u>84,177,905</u>
Change in Net Assets					2,927,081	254,447	3,181,528
Net Assets (Deficit) Beginning of Year, as Restated					<u>32,610,915</u>	<u>(207,228)</u>	<u>32,403,687</u>
Net Assets End of Year					<u>\$ 35,537,996</u>	<u>\$ 47,219</u>	<u>\$ 35,585,215</u>

See accompanying notes to the basic financial statements.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2004

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 1,596,706	\$ 97,414	\$ 7,670,632	\$ 1,739,953	\$11,104,705
Investments	2,978,974	0	0	0	2,978,974
Receivables:					
Taxes	63,747,513	787,761	3,833,722	0	68,368,996
Accounts	75,891	0	0	31,175	107,066
Intergovernmental	2,383,104	0	0	1,662,903	4,046,007
Interfund Receivable	6,661,560	0	0	0	6,661,560
Materials and Supplies Inventory	233,766	0	0	0	233,766
Total Assets	<u>\$ 77,677,514</u>	<u>\$ 885,175</u>	<u>\$ 11,504,354</u>	<u>\$ 3,434,031</u>	<u>\$93,501,074</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ 475,273	\$ 0	\$ 176,969	\$ 179,622	\$ 831,864
Contracts Payable	0	0	432,867	0	432,867
Accrued Wages and Benefits	2,289,162	0	0	91,660	2,380,822
Compensated Absences Payable	482,110	0	0	24,520	506,630
Interfund Payable	0	0	0	1,124,739	1,124,739
Intergovernmental Payable	2,176,854	0	0	108,583	2,285,437
Deferred Revenue	55,207,905	626,508	3,073,898	1,273,247	60,181,558
Total Liabilities	<u>60,631,304</u>	<u>626,508</u>	<u>3,683,734</u>	<u>2,802,371</u>	<u>67,743,917</u>
Fund Balances					
Reserved for:					
Encumbrances	3,018,538	0	5,522,884	412,160	8,953,582
Inventory	233,766	0	0	0	233,766
Taxes Receivable	10,763,612	160,223	754,233	0	11,678,068
Unreserved, Undesignated, Reported in:					
General Fund	3,030,294	0	0	0	3,030,294
Special Revenue Funds	0	0	0	217,477	217,477
Debt Service Fund	0	98,444	0	0	98,444
Capital Projects Funds	0	0	1,543,503	2,023	1,545,526
Total Fund Balances	<u>17,046,210</u>	<u>258,667</u>	<u>7,820,620</u>	<u>631,660</u>	<u>25,757,157</u>
Total Liabilities and Fund Balances	<u>\$ 77,677,514</u>	<u>\$ 885,175</u>	<u>\$11,504,354</u>	<u>\$ 3,434,031</u>	<u>\$93,501,074</u>

See accompanying notes to the basic financial statements.

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2004**

Total Governmental Fund Balances		\$ 25,757,157
<i>Amounts Reported for Governmental Activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		27,175,348
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	6,710,297	
Intergovernmental	1,273,247	
Tuition	<u>2,215,979</u>	
Total		10,199,523
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the self-insurance fund and the workers' compensation fund are included in governmental activities in the statement of net assets.		1,457,402
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(5,800,000)	
Notes Payable	(9,734,990)	
Qualified Zone Academy Bonds	(5,500,000)	
Capital Leases	(1,201,834)	
Compensated Absences	(5,329,136)	
Intergovernmental Payable	(1,430,087)	
Accrued Interest Payable	<u>(55,387)</u>	
Total		<u>(29,051,434)</u>
Net Assets of Governmental Activities		<u>\$ 35,537,996</u>

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, 2004

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 55,991,579	\$ 736,973	\$ 3,434,038	\$ 0	\$ 60,162,590
Intergovernmental	26,949,488	0	418,972	6,611,183	33,979,643
Tuition and Fees	666,018	0	0	0	666,018
Transportation Fees	76,823	0	0	0	76,823
Earnings on Investments	148,376	0	0	21,416	169,792
Extracurricular Activities	0	0	0	276,992	276,992
Classroom Materials and Fees	3,308	0	0	44,686	47,994
Miscellaneous	180,523	0	67,412	386,409	634,344
Total Revenues	<u>84,016,115</u>	<u>736,973</u>	<u>3,920,422</u>	<u>7,340,686</u>	<u>96,014,196</u>
Expenditures					
Current:					
Instruction:					
Regular	33,703,630	0	0	1,383,481	35,087,111
Special	6,764,095	0	0	954,481	7,718,576
Vocational Education	1,549,008	0	0	146,097	1,695,105
Adult/Continuing	2,739	0	0	255,677	258,416
Other	2,599,071	0	0	76,873	2,675,944
Support Services:					
Pupil	7,477,257	0	0	1,432,905	8,910,162
Instructional Staff	4,424,251	0	0	960,920	5,385,171
Board of Education	543,274	0	0	0	543,274
Administrative	5,227,834	0	0	621,104	5,848,938
Fiscal Services	1,532,415	0	0	0	1,532,415
Business	5,139,737	0	0	0	5,139,737
Operation and Maintenance of Plant	8,647,940	0	7,353,376	5,878	16,007,194
Pupil Transportation	3,032,519	0	184,412	12,483	3,229,414
Central Services	2,467,300	0	0	127,069	2,594,369
Operation of Non-Instructional Services:					
Food Service	0	0	0	24	24
Community Services	28,655	0	0	1,726,374	1,755,029
Other	50,795	0	0	0	50,795
Extracurricular Activities	795,371	0	0	282,139	1,077,510
Capital Outlay	0	0	0	124,678	124,678
Debt Service:					
Principal Retirement	280,809	655,000	338,430	0	1,274,239
Interest and Fiscal Charges	16,820	685,251	30,989	0	733,060
Total Expenditures	<u>84,283,520</u>	<u>1,340,251</u>	<u>7,907,207</u>	<u>8,110,183</u>	<u>101,641,161</u>
Excess of Revenues Over (Under) Expenditures	<u>(267,405)</u>	<u>(603,278)</u>	<u>(3,986,785)</u>	<u>(769,497)</u>	<u>(5,626,965)</u>
Other Financing Sources (Uses)					
Capitalized Leases	0	0	835,560	0	835,560
Qualified Zone Academy Bonds	0	5,500,000	0	0	5,500,000
Transfers In	98,199	660,546	5,450,000	479,129	6,687,874
Transfers Out	(965,773)	(5,450,000)	(178,256)	(361,300)	(6,955,329)
Total Other Financing Sources (Uses)	<u>(867,574)</u>	<u>710,546</u>	<u>6,107,304</u>	<u>117,829</u>	<u>6,068,105</u>
Net Change in Fund Balances	<u>(1,134,979)</u>	<u>107,268</u>	<u>2,120,519</u>	<u>(651,668)</u>	<u>441,140</u>
Fund Balances Beginning of Year, Restated	18,221,410	151,399	5,700,101	1,283,328	25,356,238
Decrease in Reserve for Inventory	(40,221)	0	0	0	(40,221)
Fund Balances End of Year	<u>\$ 17,046,210</u>	<u>\$ 258,667</u>	<u>\$ 7,820,620</u>	<u>\$ 631,660</u>	<u>\$ 25,757,157</u>

See accompanying notes to the basic financial statements.

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

Net Change in Fund Balances - Total Governmental Funds \$ 441,140

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 capital outlay exceeded depreciation in the current period.

Capital Additions (Net of Deletions)	8,080,784	
Current Year Depreciation (Net of Deletions)	(700,280)	
Total	7,380,504	7,380,504

Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds.

Taxes	1,548,199	
Grants and Entitlements	994,804	
Total	2,543,003	2,543,003

Proceeds from debt issuances are an other financing source in the funds but a debt issue increases long-term liabilities in the statement of net assets. (5,500,000)

Purchase of asset through capital is an expenditure in the governmental funds but reported as a long-term liability in the statement of net assets. (835,560)

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. 1,274,239

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. 272

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences Payable	(284,951)	
Pension Obligation	(642,271)	
Change in Inventory	(40,221)	
Other	489	
Total	(966,954)	(966,954)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (1,409,563)

Change in Net Assets of Governmental Activities **\$ 2,927,081**

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$48,864,566	\$51,000,000	\$50,253,533	\$ (746,467)
Intergovernmental	25,854,521	26,709,994	26,949,489	239,495
Tuition and Fees	299,744	1,155,500	673,496	(482,004)
Transportation Fees	48,346	58,000	72,520	14,520
Earnings on Investments	725,187	400,000	159,657	(240,343)
Classroom Materials and Fees	29,007	30,000	3,308	(26,692)
Miscellaneous	170,177	79,500	148,991	69,491
Total Revenues	<u>75,991,548</u>	<u>79,432,994</u>	<u>78,260,994</u>	<u>(1,172,000)</u>
Expenditures				
Current:				
Instruction:				
Regular	34,273,479	32,749,574	33,279,966	(530,392)
Special Education	6,977,698	6,988,243	6,755,532	232,711
Adult/Continuing	1,546,640	1,547,097	1,549,631	(2,534)
Other	3,219	3,219	2,743	476
Other	2,664,475	2,714,475	3,205,544	(491,069)
Support Services:				
Pupils	7,733,029	7,724,981	7,438,783	286,198
Instructional Board of Education	5,522,680	5,018,163	5,077,516	(59,353)
Administrative	724,267	399,267	773,372	(374,105)
Fiscal Services	5,731,810	5,775,627	5,328,416	447,211
Business	2,230,142	1,789,509	1,570,204	219,305
Operation and Maintenance of Plant Services	3,171,408	5,353,479	5,409,884	(56,405)
Pupil Transportation	11,319,544	11,327,744	10,063,629	1,264,115
Central Services	2,989,455	3,231,769	3,169,763	62,006
Central Services	2,994,802	2,864,802	2,638,197	226,605
Operation of Non-Instructional Services:				
Community Services	42,632	38,968	34,015	4,953
Other Operation of Non-Instructional Services	84,745	84,745	48,023	36,722
Extracurricular Activities	663,405	663,405	799,310	(135,905)
Debt Service:				
Principal Retirement	280,809	280,809	280,809	0
Interest and Fiscal Charges	16,820	16,820	16,820	0
Total Expenditures	<u>88,971,059</u>	<u>88,572,696</u>	<u>87,442,157</u>	<u>1,130,539</u>
Excess of Revenue Over(Under) Expenditures	<u>(12,979,511)</u>	<u>(9,139,702)</u>	<u>(9,181,163)</u>	<u>(41,461)</u>
Other Financing Sources (Uses)				
Transfers In	0	81,505	98,199	16,694
Transfers Out	(935,500)	(967,954)	(965,773)	2,181
Advances In	1,900,000	418,570	256,181	(162,389)
Advances Out	0	(1,700,431)	(1,700,431)	0
Total Other Financing Sources (Uses)	<u>964,500</u>	<u>(2,168,310)</u>	<u>(2,311,824)</u>	<u>(143,514)</u>
Net Change in Fund Balance	<u>(12,015,011)</u>	<u>(11,308,012)</u>	<u>(11,492,987)</u>	<u>(184,975)</u>
Fund Balance at Beginning of Year	9,476,080	9,476,080	9,476,080	0
Prior Year Encumbrances Appropriated	<u>3,139,554</u>	<u>3,139,554</u>	<u>3,139,554</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 600,623</u>	<u>\$ 1,307,622</u>	<u>\$ 1,122,647</u>	<u>\$ (184,975)</u>

See accompanying notes to the basic financial statements.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004

	Business-Type Activities-Enterprise Funds			Governmental
	Bellefaire			Internal
	General Rotary	Nonmajor Enterprise	Total	Service Funds
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 62,551	\$ 48,492	\$ 111,043	\$ 1,804,764
Accounts Receivable	0	18,327	18,327	4
Intergovernmental Receivable	4,927,722	241,571	5,169,293	0
Inventory Held for Resale	0	47,272	47,272	0
Materials and Supplies Inventory	0	3,530	3,530	0
Total Current Assets	4,990,273	359,192	5,349,465	1,804,768
Fixed Assets (Net of Depreciation)	33,039	635,783	668,822	0
Total Assets	5,023,312	994,975	6,018,287	1,804,768
Liabilities				
Current Liabilities:				
Accounts Payable	515	2,099	2,614	5,417
Accrued Wages and Benefits	39,091	46,243	85,334	2,283
Compensated Absences Payable	12,090	4,727	16,817	0
Interfund Payable	4,753,093	783,728	5,536,821	0
Intergovernmental Payable	60,909	61,964	122,873	857
Deferred Revenue	0	1,760	1,760	0
Claims Payable	0	0	0	338,809
Total Current Liabilities	4,865,698	900,521	5,766,219	347,366
Non-Current Liabilities:				
Compensated Absences	134,390	70,459	204,849	0
Total Liabilities	5,000,088	970,980	5,971,068	347,366
Net Assets				
Unrestricted	23,224	23,995	47,219	1,457,402
Total Net Assets	\$ 23,224	\$ 23,995	\$ 47,219	\$ 1,457,402

See accompanying notes to the basic financial statements.

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Business-Type Activities-Enterprise Funds			Governmental
	Bellefaire			Activities
	General Rotary	Nonmajor Enterprise	Total	Internal Service Funds
<u>Operating Revenues</u>				
Intergovernmental	\$ 0	\$ 58,027	\$ 58,027	\$ 0
Tuition and Fees	2,592,146	1,101,679	3,693,825	1,488,746
Food Services	0	1,127,693	1,127,693	0
Classroom Materials and Fees	0	54,614	54,614	0
Miscellaneous	0	120,888	120,888	0
Total Operating Revenues	<u>2,592,146</u>	<u>2,462,901</u>	<u>5,055,047</u>	<u>1,488,746</u>
<u>Operating Expenses</u>				
Salaries and Wages	1,755,964	1,789,059	3,545,023	35,771
Fringe Benefits	609,971	590,527	1,200,498	2,787,613
Purchased Services	434,067	1,312,870	1,746,937	74,925
Supplies and Materials	48,740	241,228	289,968	0
Capital Outlay	5,452	5,386	10,838	0
Other	3,784	18,046	21,830	0
Depreciation	0	17,029	17,029	0
Total Operating Expenses	<u>2,857,978</u>	<u>3,974,145</u>	<u>6,832,123</u>	<u>2,898,309</u>
Operating Loss	<u>(265,832)</u>	<u>(1,511,244)</u>	<u>(1,777,076)</u>	<u>(1,409,563)</u>
<u>Non-Operating Revenues</u>				
Federal Donated Commodities	0	166,279	166,279	0
Operating Grants	804,585	793,204	1,597,789	0
Total Non-Operating Revenues	<u>804,585</u>	<u>959,483</u>	<u>1,764,068</u>	<u>0</u>
Income (Loss) Before Transfers	<u>538,753</u>	<u>(551,761)</u>	<u>(13,008)</u>	<u>(1,409,563)</u>
<u>Transfers</u>				
Transfers In	0	267,455	267,455	0
Total Transfers (Uses)	<u>0</u>	<u>267,455</u>	<u>267,455</u>	<u>0</u>
Net Income (Loss)	538,753	(284,306)	254,447	(1,409,563)
Net Assets (Deficit) Beginning of Year, as Restated	<u>(515,529)</u>	<u>308,301</u>	<u>(207,228)</u>	<u>2,866,965</u>
Net Assets End of Year	<u>\$ 23,224</u>	<u>\$ 23,995</u>	<u>\$ 47,219</u>	<u>\$ 1,457,402</u>

See accompanying notes to the basic financial statements.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Business-Type Activities-Enterprise Funds</u>			<u>Governmental</u>
	<u>Bellefaire</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Internal</u>
	<u>Rotary</u>	<u>Enterprise</u>		<u>Service</u>
				<u>Funds</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$ 1,963,137	\$ 2,137,851	\$ 4,100,988	\$ 0
Cash Received from Quasi-External Transactions with Other Funds	0	0	0	5,114,674
Cash Received from Other Operating Sources	0	122,772	122,772	0
Cash Payments to Suppliers for Goods and Services	(488,259)	(1,361,556)	(1,849,815)	(80,550)
Cash Payments to Employees for Services	(1,786,588)	(1,799,642)	(3,586,230)	(34,112)
Cash Payments for Employee Benefits	(617,873)	(581,688)	(1,199,561)	0
Cash Payments for Claims	0	0	0	(6,391,941)
Cash Payments for Other	(3,784)	(18,046)	(21,830)	0
Net Cash Used for Operating Activities	<u>(933,367)</u>	<u>(1,500,309)</u>	<u>(2,433,676)</u>	<u>(1,391,929)</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Operating Grants Received	804,585	793,204	1,597,789	0
Transfers In	0	267,455	267,455	0
Advances In	125,133	450,560	575,693	0
Net Cash Provided by Noncapital Financing Activities	<u>929,718</u>	<u>1,511,219</u>	<u>2,440,937</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Payments for Capital Acquisitions	0	(25,234)	(25,234)	0
Net Cash Used for Capital and Related Financing Activities	<u>0</u>	<u>(25,234)</u>	<u>(25,234)</u>	<u>0</u>
Net Decrease in Cash and Cash Equivalents	(3,649)	(14,324)	(17,973)	(1,391,929)
Cash and Cash Equivalents Beginning of Year	<u>66,200</u>	<u>62,816</u>	<u>129,016</u>	<u>3,196,693</u>
Cash and Cash Equivalents End of Year	<u>\$ 62,551</u>	<u>\$ 48,492</u>	<u>\$ 111,043</u>	<u>\$ 1,804,764</u>
<u>Reconciliation of Operating Loss to</u>				
<u>Net Cash Used for Operating Activities</u>				
Operating Loss	\$ (265,832)	\$ (1,511,244)	\$ (1,777,076)	\$ (1,409,563)
Adjustments:				
Depreciation	0	17,029	17,029	0
Commodities	0	166,279	166,279	0
(Increase) Decrease in Assets:				
Accounts Receivable	5,414	(15,803)	(10,389)	4,538
Inventory Held for Resale	0	44,068	44,068	0
Materials and Supplies Inventory	0	178	178	0
Intergovernmental Receivable	(634,423)	(186,475)	(820,898)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	2	(12,527)	(12,525)	(208)
Accrued Wages and Benefits	(38,725)	(22,004)	(60,729)	1,659
Compensated Absences Payable	(2,477)	11,421	8,944	0
Intergovernmental Payable	2,674	8,769	11,443	295
Claims Payable	0	0	0	11,350
Total Adjustments	<u>(667,535)</u>	<u>10,935</u>	<u>(656,600)</u>	<u>17,634</u>
Net Cash Used for Operating Activities	<u>\$ (933,367)</u>	<u>\$ (1,500,309)</u>	<u>\$ (2,433,676)</u>	<u>\$ (1,391,929)</u>

Schedule of Noncash Financing Activities

During the year, the food services enterprise fund received donated commodities of \$166,279.

See accompanying notes to the basic financial statements.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2004

	<u>Student Managed Activity- Agency Fund</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 124,928
Accounts Receivable	<u>2,741</u>
Total Assets	<u>\$ 127,669</u>
<u>Liabilities</u>	
Accounts Payable	\$ 2,657
Intergovernmental Payable	41
Due to Students	<u>124,971</u>
Total Liabilities	<u>\$ 127,669</u>

See accompanying notes to the basic financial statements.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1: DESCRIPTION OF THE DISTRICT AND THE REPORTING ENTITY

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

The District operates under a locally elected five-member Board form of 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, 581 certificated full-time teaching personnel and 50 administrators who provide services to 6,679 students and other community members.

The 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 Mizrachi 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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 1: **DESCRIPTION OF THE DISTRICT AND THE REPORTING ENTITY** (Continued)

The Reporting Entity (Continued)

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

The District is associated with two organizations which are defined as a jointly governed organization and a related organization. The Ohio School Council Association is a jointly governed organization and the Cleveland Heights-University Heights Library is a related organization. The jointly governed organization is presented in Note 16 and the related organization is presented in Note 17 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, propriety 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:

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Fund Accounting** (Continued)

Governmental Funds (Continued)

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.

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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Fund Accounting** (Continued)

Proprietary Funds (Continued)

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only agency fund accounts for resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

B. **Basis of Presentation**

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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.

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 8). 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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Basis of Accounting** (Continued)

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, 2004, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

D. **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 financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as "cash and cash equivalents with fiscal agent". The District also utilizes an escrow agent to hold retainage on construction contracts. The balances in these accounts are presented on the financial statements as "cash and cash equivalents with escrow agents" and represents deposits or short term investments in certificates in deposit.

During fiscal year 2004, investments were limited to U.S. Government Securities, overnight Repurchase Agreements, a Manuscript Note, and the State Treasury Asset Reserve of Ohio (STAROhio).

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Cash and Cash Equivalents (Continued)

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 2004. 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, 2004.

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 2004 amounted to \$148,376. The amount allocated from the other funds during fiscal year 2004 amounted to \$86,844.

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.

E. 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 held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds types when purchased. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

F. Capital Assets

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

All capital assets are capitalized at cost (or 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:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	30 years	30 years
Buildings and Improvements	10–30 years	10-30 years
Furniture and Equipment	5–10 years	5-10 years
Vehicles	10 years	N/A

G. 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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

H. 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.

I. 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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

J. 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.

K. 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.

L. 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 THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

M. Interfund Transactions

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.

N. 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. For fiscal year ended June 30, 2004, special items include library renovations as described in Note 14 of the basic financial statements.

O. 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.

P. Budgetary Data

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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

P. **Budgetary Data** (Continued)

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.

NOTE 3: **RESTATEMENT OF PRIOR YEAR FUND BALANCES AND NET ASSETS**

Fund balances of various Nonmajor Other Governmental Funds were restated as follows:

	Title II	Emergency Immigrant Education	Continuous Improvement	Nonmajor Special Revenue Funds	Other Governmental Funds
Fund Balances, June 30, 2003	\$ (352)	\$ (28)	\$ (109)	\$ 1,187,818	\$ 1,282,839
Correction of Intergovernmental Payables	<u>352</u>	<u>28</u>	<u>109</u>	<u>489</u>	<u>489</u>
Fund Balance at June 30, 2004, as Restated	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,188,307</u>	<u>\$ 1,283,328</u>

Net assets of governmental activities and business-type activities were restated as follows:

	Governmental Activities	Business- Type Activities
Net Assets, June 30, 2003	\$ 29,790,466	\$ (252,383)
Restatement Adjustment:		
Capital Asset corrections	<u>2,820,449</u>	<u>45,155</u>
Net Assets at June 30, 2003, as Restated	<u>\$32,610,915</u>	<u>\$ (207,228)</u>

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 4: COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The following funds had deficit fund balances/net assets at June 30, 2004:

Special Revenue Funds:	
Other Grants	\$ 240,056
Public School Preschool Grant	12,336
Career Technical/Adult Education	778
Adult Basic Education	18,870
IDEA (Flo Thru)	39,312
Title I	126,987
Title V Innovative Program	2,504
Preschool Disabilities Grant	1,657
Title IIA Improving Teacher Quality	53,171
Enterprise Funds:	
Food Services	572,625

The special revenue deficits were created by the recognition of expenditures on the modified accrual basis which are greater than expenditures on a cash basis. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

The deficits in the enterprise funds are due to increased expenses. The deficits will be eliminated through increases in fees in future periods.

B. Noncompliance

The following funds had expenditures in excess of appropriations at June 30, 2004:

Enterprise Funds:	
Bellefaire General Rotary Funds	\$ 656
Food Services	24,954
Internal Service Funds:	
Self-Insurance	243,805
Workers' Compensation	5,374

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
JUNE 30, 2004
(CONTINUED)

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	\$ (1,134,979)
Revenue Accruals	(5,498,941)
Expenditure Accruals	(1,424,497)
Encumbrances	<u>(3,434,570)</u>
Budget Basis	<u>\$ (11,492,987)</u>

NOTE 6: **DEPOSITS AND INVESTMENTS**

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

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

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

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

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

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

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

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

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

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.

Cash on Hand

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”.

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

Deposits

At fiscal year end, the carrying amount of the District's deposits was \$7,056,127 and the bank balance was \$7,853,747. \$304,061 of the bank balance was covered by Federal depository insurance and \$7,549,686 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with Federal requirements would potentially subject the District to a successful claim by the FDIC.

Investments

GASB Statement No. 3 requires the District's investments be categorized to give an indication of the level of risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. The District invested in the State Treasury Asset Reserve of Ohio (STAROhio) during the 2003-2004 fiscal year. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

Investments (Continued)

<u>Description</u>	<u>Category 3</u>	<u>Amount/ Fair Value</u>
Repurchase Agreements	\$ 4,310,286	\$ 4,310,286
STAROhio	0	1,775,147
Federal Securities	<u>2,978,974</u>	<u>2,978,974</u>
Total Investments	<u>\$ 7,289,260</u>	<u>\$ 9,064,407</u>

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

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 13,145,440	\$ 2,978,974
Petty Cash	(3,880)	0
Investments:		
Repurchase Agreement	(4,310,286)	4,310,286
STAROhio	<u>(1,775,147)</u>	<u>1,775,147</u>
GASB Statement 3	<u>\$ 7,056,127</u>	<u>\$ 9,064,407</u>

NOTE 7: **INTERFUND TRANSFERS AND BALANCES**

As of June 30, 2004, interfund balances were as follows:

<u>Major Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	\$ 6,661,560	\$ 0
<u>Nonmajor Funds</u>		
Special Revenue	0	1,124,739
Enterprise	<u>0</u>	<u>5,536,821</u>
	<u>\$ 6,661,560</u>	<u>\$ 6,661,560</u>

Interfund balances of \$5,536,821 on the government-wide financial statements are a result of advances for reimbursements due from operations and intrafund balances of \$1,124,739 being eliminated.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 7: **INTERFUND TRANSFERS AND BALANCES** (Continued)

As of June 30, 2004, Board approved interfund transfers were as follows:

	<u>Transfer To</u>	<u>Transfer From</u>
General Fund	\$ 98,199	\$ 965,773
Debt Service Fund	660,546	5,450,000
Permanent Improvement Capital Projects Fund	5,450,000	178,256
Nonmajor Governmental Funds	479,129	361,300
Nonmajor Enterprise Funds	<u>267,455</u>	<u>0</u>
Totals	<u>\$ 6,955,329</u>	<u>\$ 6,955,329</u>

Transfers of \$267,455 on the government-wide financial statements were made to provide additional resources for current operations. Transfers of \$6,687,874 were eliminated since they were within the governmental and business-type activity. These transfers were made to provide additional resources for current operations.

NOTE 8: **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 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, 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 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 8: **PROPERTY TAXES** (Continued)

Tangible personal property tax revenue received during calendar 2004 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. 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 semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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, 2004, are available to finance fiscal year 2004 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, 2004, 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, 2004, was \$10,763,612 in the general fund, \$160,223 in the debt service fund, and \$754,233 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 2004 taxes were collected are:

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 8: **PROPERTY TAXES** (Continued)

	2003		2004	
	<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	\$ 937,234,820	94.24%	\$ 1,066,559,720	94.93%
Public Utility	31,701,920	3.19%	33,561,950	2.99%
Tangible Personal Property	<u>25,539,854</u>	<u>2.57%</u>	<u>23,331,004</u>	<u>2.08%</u>
	<u>\$ 994,476,594</u>	<u>100.00%</u>	<u>\$ 1,123,452,674</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$ 121.10		\$ 121.10	

NOTE 9: **RECEIVABLES**

Receivables at June 30, 2004, 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	<u>\$ 2,383,104</u>	
Total General Fund		\$ 2,383,104
Special Revenue Funds:		
Motorcycle Safety Education	8,511	
IDEA (Flo Thru)	84,469	
Vocational Education	15,476	
Title III	4,572	
Title I	215,176	
Title V Innovative Program	2,799	
Preschool Disabilities Grant	1,800	
Title IIA - Improving Teacher Quality	41,722	
Miscellaneous Federal Grants	<u>1,288,378</u>	
Total Special Revenue Funds		1,662,903
Enterprise Funds:		
Bellefaire General Rotary	4,927,722	
Food Services	<u>241,571</u>	
Total Enterprise Funds		<u>5,169,293</u>
Total Intergovernmental Receivable		<u>\$9,215,300</u>

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 10: **CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Restated Balance at 6/30/03	Additions	Deletions	Balance at 6/30/04
<u>Governmental Activities</u>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,981,623	\$ 0	\$ 0	\$ 1,981,623
Construction in Progress	<u>0</u>	<u>4,672,633</u>	<u>0</u>	<u>4,672,633</u>
<i>Total Capital Assets, not being depreciated</i>	<u>1,981,623</u>	<u>4,672,633</u>	<u>0</u>	<u>6,654,256</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	2,304,530	671,433	0	2,975,963
Buildings and Improvements	24,859,684	2,349,432	0	27,209,116
Vehicles	2,934,864	245,543	(95,656)	3,084,751
Furniture and Equipment	<u>2,353,895</u>	<u>237,399</u>	<u>0</u>	<u>2,591,294</u>
<i>Total Capital Assets, being depreciated</i>	<u>32,452,973</u>	<u>3,503,807</u>	<u>(95,656)</u>	<u>35,861,124</u>
Less Accumulated Depreciation:				
Land Improvements	(838,673)	(55,140)	0	(893,813)
Buildings and Improvements	(11,050,796)	(397,821)	0	(11,448,617)
Vehicles	(1,374,432)	(188,338)	95,656	(1,467,114)
Furniture and Equipment	<u>(1,375,851)</u>	<u>(154,637)</u>	<u>0</u>	<u>(1,530,488)</u>
Total Accumulated Depreciation	<u>(14,639,752)</u>	<u>(795,936)</u>	<u>95,656</u>	<u>(15,340,032)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>17,813,221</u>	<u>2,707,871</u>	<u>0</u>	<u>20,521,092</u>
Governmental Activities Capital Assets, Net	<u>\$19,794,844</u>	<u>\$ 7,380,504</u>	<u>\$ 0</u>	<u>\$27,715,348</u>
<u>Business-Type Activities</u>				
<i>Capital Assets, being depreciated:</i>				
Land Improvements	\$ 6,274	\$ 0	\$ 0	\$ 6,274
Buildings and Improvements	1,250,810	0	0	1,250,810
Furniture and Equipment	80,311	0	(14,070)	66,241
Vehicles	<u>0</u>	<u>23,927</u>	<u>0</u>	<u>23,927</u>
<i>Total Capital Assets, being depreciated</i>	<u>1,337,395</u>	<u>23,927</u>	<u>(14,070)</u>	<u>1,347,252</u>
Less Accumulated Depreciation:				
Land Improvements	(5,281)	(125)	0	(5,406)
Buildings and Improvements	(627,051)	(13,390)	0	(640,441)
Furniture and Equipment	(43,139)	(2,849)	14,070	(31,918)
Vehicles	<u>0</u>	<u>(665)</u>	<u>0</u>	<u>(665)</u>
Total Accumulated Depreciation	<u>(675,471)</u>	<u>(17,029)</u>	<u>14,070</u>	<u>(678,430)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 661,924</u>	<u>\$ 6,898</u>	<u>\$ 0</u>	<u>\$ 668,822</u>

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 10: **CAPITAL ASSETS** (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	402,864
Vocational		16,980
Support Services:		
Instructional Staff		80,636
Administration		670
Fiscal		448
Business		25,171
Operation and Maintenance of Plant		47,902
Pupil Transportation		188,891
Central		8,130
Operation of Non-Instructional Services:		
Community Services		14,052
Extracurricular Activities		10,192
Total Depreciation Expense	\$	<u>795,936</u>

The District has entered into lease agreements, as lessee, for financing which relate to various buildings and improvements. The gross amounts of these items are a wide area network at \$660,000, a communication system at \$732,323, a Xerox copies at \$200,459, and a room air conditioner system at \$835,560.

NOTE 11: **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. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

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.

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 years 2004 and 2003, 8.17 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, 2004, 2003, and 2002, were \$1,977,021, \$2,039,850, and \$1,891,696, respectively; 39.54 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002.

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

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

B. **State Teachers Retirement System** (Continued)

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.

For the fiscal years ended June 30, 2004 and 2003, plan members are required to contribute 10 percent and 9.3 percent, respectively, of their annual covered salaries. The District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. 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, 2004, 2003, and 2002, were \$5,959,450, \$5,680,938, and \$5,394,924, respectively; 83.24 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002.

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 non-certificated employees and their dependents through the School Employees Retirement

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

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, 2003, 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 \$425,675 for fiscal year 2004.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2003 (the latest information available), the balance in the fund was \$2.8 billion. For the year ended June 30, 2003, net health care costs by STRS were \$352,301,000 and STRS had 108,294 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 9.8 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 2004, the minimum pay has been established at \$14,500. For the District, the amount to fund health care benefits, including surcharge, during the 2004 fiscal year equaled \$1,456,047.

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, 2003 (the latest information available), were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 14: LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during fiscal year 2004 were as follows:

	<u>Principal Outstanding 6/30/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Principal Outstanding at 6/30/04</u>	<u>Amounts Due in One Year</u>
<u>Governmental Activities</u>					
<u>Energy Conservation Bonds:</u>					
1993 \$2,800,000 Energy Conservation Bonds-2.75%	\$ 300,000	\$ 0	\$ 300,000	\$ 0	\$ 0
1998 \$1,400,000 Energy Conservation Bonds-7.00%	840,000	0	140,000	700,000	140,000
2003 \$5,800,000 Energy Conservation Bonds-variable	5,800,000	0	0	5,800,000	520,000
2002 \$9,499,990 Library Improvement Bonds- variable interest rate	9,249,990	0	215,000	9,034,990	250,000
National Zone Academy Bond Capital Lease - 9%	0	5,500,000	0	5,500,000	366,666
Capital Lease Obligations	985,513	835,560	619,239	1,201,834	540,494
Compensated Absences	5,377,969	957,704	499,907	5,835,766	915,780
Total Governmental Long-Term Liabilities	<u>\$ 22,553,472</u>	<u>\$7,293,264</u>	<u>\$1,774,146</u>	<u>\$28,072,590</u>	<u>\$2,732,940</u>
<u>Business-Type Activities</u>					
Compensated Absences	\$ 212,722	\$ 72,270	\$ 63,326	\$ 221,666	\$ 16,817
Total Business-Type Activities	<u>\$ 212,722</u>	<u>\$ 72,270</u>	<u>\$ 63,326</u>	<u>\$ 221,666</u>	<u>\$ 16,817</u>

Energy conservation bonds will be paid from property taxes. The 1993 and 1998 bonds have maturities of 2004 and 2009, respectively. The 2003 bonds have a maturity of 2014. Compensated absences will be paid from the general fund, the Auxiliary Services fund, the Motorcycle Safety Education fund, the Career Technical/Adult Education fund, the IDEA (Flo-Thru) fund, the Vocational Education fund, and the Title I fund.

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 received \$5,500,000 through the issuance of a National Zone Academy Bond capital lease. The proceeds are being used for rehabilitating or repairing the portion the District's facilities, providing equipment for use at the District, development of course materials for education, and training of teachers and other District personnel. The lease has 0 percent interest expense and has sixteen annual principal payments of \$366,666 beginning in 2005 and ending in 2019.

During 2004, the District was party to four capital leases. A wide-area network was under lease which began in 2001 and ended in 2004. Per the lease agreement, total principal and interest expense was \$660,000 and \$55,215, respectively.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 14: **LONG-TERM OBLIGATIONS** (Continued)

A communication system is under lease, which began in 2002 and ends in 2006. Per the lease agreement, total principal and interest expense is \$732,323 and \$47,928, respectively. The prepayment balance at June 30, 2004, is \$412,358.

A Xerox copier is under lease, which began in 2002 and ends in 2006. Per the lease agreement, total principal and interest expense is \$200,459 and \$31,500, respectively. The early purchase charge at June 30, 2004, is \$13,224.

A District main and intermediate distribution frame room air conditioning system lease began in 2004 and ends in 2007. Per the lease agreement, total principal and interest expense is \$835,560 and \$43,382, respectively.

The future minimum lease payments required under capital leases are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Communication</u> <u>System</u>	<u>Xerox</u> <u>Copier</u>	<u>Room Air</u> <u>Conditioner</u>
2005	\$ 222,930	\$ 59,223	\$ 292,980
2006	204,351	34,547	292,981
2007	<u>0</u>	<u>0</u>	<u>146,490</u>
Minimum Lease Payments	427,281	93,770	732,451
Less: Amount Representing Interest	<u>(14,924)</u>	<u>(5,613)</u>	<u>(31,131)</u>
Present Value of Net Lease Payments	<u>\$ 412,357</u>	<u>\$ 88,157</u>	<u>\$ 701,320</u>

The legal debt margin of the District as of June 30, 2004, was \$85,834,418 with an unvoted debt margin of \$1,123,453.

Principal and interest requirements to retire general obligation bonds, long-term notes, library improvement bonds, and capital lease obligations outstanding at June 30, 2004, are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,817,160	\$ 630,783	\$ 2,447,943
2006	1,813,628	586,176	2,399,804
2007	1,349,411	551,829	1,901,240
2008	1,213,414	531,580	1,744,994
2009	1,206,537	512,257	1,718,794
2010-2014	6,528,330	2,097,394	8,625,724
2015-2019	3,853,340	1,388,566	5,241,906
2020-2024	2,575,000	819,302	3,394,302
2025-2027	<u>1,880,004</u>	<u>147,857</u>	<u>2,027,861</u>
Total	<u>\$22,236,824</u>	<u>\$ 7,265,744</u>	<u>\$29,502,568</u>

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 15: 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 2004, 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 years 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 still owes the State Workers' Compensation System for ongoing claims during the year that the District was covered by the retrospective rating plan. Claims of \$209,909 have been accrued as a liability in the Workers' Compensation Internal Service fund at June 30, 2004, based on an estimate by the claims administrator. Changes in the fund's claims liability amount in 2002, 2003, and 2004 are as follows:

	<u>Beginning</u>	<u>Current</u>	<u>Claim</u>	<u>Balance</u>
	<u>of Year</u>	<u>Year Claims</u>	<u>Payments</u>	<u>at End</u>
				<u>of Year</u>
June 30, 2002	\$ 254,453	\$ 424,395	\$ 458,817	\$ 220,031
June 30, 2003	\$ 220,031	\$ 220,276	\$ 230,548	\$ 209,759
June 30, 2004	\$ 209,759	\$ 969,964	\$ 969,814	\$ 209,909

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 15: **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 \$128,900 have been accrued in the self insurance internal service fund at June 30, 2004, based on an estimate from a third party administrator.

The claims liability of \$128,900 reported in the funds at June 30, 2004, 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 2002, 2003, and 2004 are as follows:

	Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
June 30, 2002	\$ 72,143	\$1,518,613	\$1,494,756	\$ 96,000
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

NOTE 16: **JOINTLY GOVERNED ORGANIZATION**

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 2004, the District paid \$972,451 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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 16: **JOINTLY GOVERNED ORGANIZATION** (Continued)

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.

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 17: **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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 18: **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, 2004.

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 19: **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 20: **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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 20: **SET ASIDE REQUIREMENTS** (Continued)

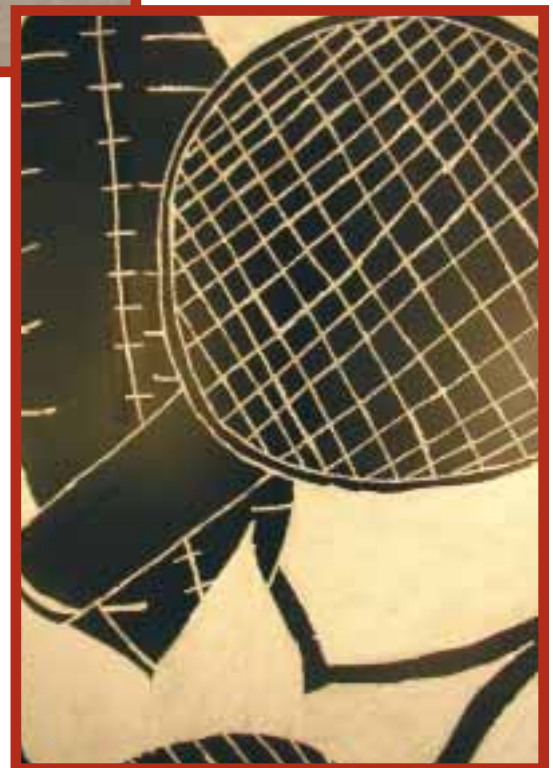
	<u>Textbooks</u>	<u>Capital Improvements</u>
Set-Aside Reserve Balance as of June 30, 2003	\$ (260,538)	\$ 0
Current Year Set-Aside Requirements	1,043,392	1,043,392
Qualifying Disbursements	<u>(814,603)</u>	<u>(8,481,167)</u>
Total	<u>\$ (31,749)</u>	<u>\$(7,437,775)</u>
 Set-Aside Balances Carried		
Forward to Future Years	<u>\$ (31,749)</u>	<u>\$ 0</u>
Set-Aside Reserve Balance as of June 30, 2004	<u>\$ (31,749)</u>	<u>\$ 0</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.



AUTUMN CANNON
Grade 7, Monticello Middle School

BRITTANY KING
Grade 8, Roxboro Middle School



COMBINING, INDIVIDUAL FUND, AND ACCOUNT GROUP STATEMENTS AND SCHEDULES



CAELI REGAN
Grade 12, Cleveland Heights High School



TIFFANY AVANT
Grade 8, Monticello Middle School



MEIKE ERNST
Grade 8, Roxboro Middle School

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR FUNDS

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 specific purposes. Following is a description of the 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.

Career Development Program - this fund is used to enable authorized school districts to comply with the provisions pertaining to career enhancement.

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.

(Continued)

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds

(Continued)

One Net Communicue - 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.

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.

(Continued)

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds

(Continued)

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

Vocational Education - provides funds to boards of education, 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 must incorporate 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.

(Continued)

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR FUNDS

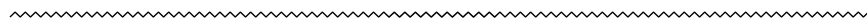
Nonmajor Special Revenue Funds

(Continued)

Continuous Improvement - this fund accounts for monies to support a broad range of education improvement goals. Competitive grants are used to establish a network of schools that have developed a systematic improvement plan for the fourth and ninth grade State proficiency tests.

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

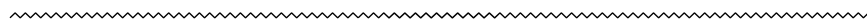
Miscellaneous Federal Grants - this fund is used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.



Nonmajor 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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR FUNDS

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, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,737,930	\$ 2,023	\$ 1,739,953
Receivables:			
Accounts	31,175	0	31,175
Intergovernmental	<u>1,662,903</u>	<u>0</u>	<u>1,662,903</u>
Total Assets	<u>\$ 3,432,008</u>	<u>\$ 2,023</u>	<u>\$ 3,434,031</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 179,622	\$ 0	\$ 179,622
Accrued Wages and Benefits	91,660	0	91,660
Compensated Absences Payable	24,520	0	24,520
Interfund Payable	1,124,739	0	1,124,739
Intergovernmental Payable	108,583	0	108,583
Deferred Revenue	<u>1,273,247</u>	<u>0</u>	<u>1,273,247</u>
Total Liabilities	<u>2,802,371</u>	<u>0</u>	<u>2,802,371</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	412,160	0	412,160
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	217,477	0	217,477
Capital Projects Funds	<u>0</u>	<u>2,023</u>	<u>2,023</u>
Total Fund Balances	<u>629,637</u>	<u>2,023</u>	<u>631,660</u>
Total Liabilities and Fund Balances	<u>\$ 3,432,008</u>	<u>\$ 2,023</u>	<u>\$ 3,434,031</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR JUNE 30, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$ 6,611,183	\$ 0	\$ 6,611,183
Earnings on Investments	21,416	0	21,416
Extracurricular Activities	276,992	0	276,992
Classroom Materials and Fees	44,686	0	44,686
Miscellaneous	<u>386,409</u>	<u>0</u>	<u>386,409</u>
Total Revenues	<u>7,340,686</u>	<u>0</u>	<u>7,340,686</u>
Expenditures			
Current:			
Instruction:			
Regular	1,383,481	0	1,383,481
Special	954,481	0	954,481
Vocational Education	146,097	0	146,097
Adult/Continuing	255,677	0	255,677
Other	76,873	0	76,873
Support Services:			
Pupil	1,432,905	0	1,432,905
Instructional Staff	960,920	0	960,920
Administrative	621,104	0	621,104
Operation and Maintenance of Plant Services	5,878	0	5,878
Pupil Transportation	12,483	0	12,483
Central Services	127,069	0	127,069
Operation of Non-Instructional Services:			
Food Service	24	0	24
Community Service	1,726,374	0	1,726,374
Extracurricular Activities	282,139	0	282,139
Building Acquisition	<u>31,680</u>	<u>92,998</u>	<u>124,678</u>
Total Expenditures	<u>8,017,185</u>	<u>92,998</u>	<u>8,110,183</u>
Excess of Revenues Over (Under) Expenditures	<u>(676,499)</u>	<u>(92,998)</u>	<u>(769,497)</u>
Other Financing Sources (Uses)			
Transfers In	479,129	0	479,129
Transfers Out	<u>(361,300)</u>	<u>0</u>	<u>(361,300)</u>
Total Other Financing Sources (Uses)	<u>117,829</u>	<u>0</u>	<u>117,829</u>
Net Change in Fund Balance	(558,670)	(92,998)	(651,668)
Fund Balance Beginning of Year, Restated	<u>1,188,307</u>	<u>95,021</u>	<u>1,283,328</u>
Fund Balance End of Year	<u>\$ 629,637</u>	<u>\$ 2,023</u>	<u>\$ 631,660</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Venture Capital- Boulevard</u>	<u>District Managed Activity</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 417,176	\$ 35,701	\$ 363,414	\$ 58	\$ 14,088
Receivables:					
Accounts	1,200	3,655	24,061	0	457
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 418,376</u>	<u>\$ 39,356</u>	<u>\$ 387,475</u>	<u>\$ 58</u>	<u>\$ 14,545</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 1,753	\$ 1,000	\$ 2,875	\$ 0	\$ 0
Accrued Wages and Benefits	0	5	7,223	0	0
Compensated Absences Payable	0	0	0	0	0
Interfund Payable	0	0	604,980	0	0
Intergovernmental Payable	0	21	12,453	0	828
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,753</u>	<u>1,026</u>	<u>627,531</u>	<u>0</u>	<u>828</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	9,732	20,412	26,840	0	14,089
Unreserved, Undesignated (Deficit)	<u>406,891</u>	<u>17,918</u>	<u>(266,896)</u>	<u>58</u>	<u>(372)</u>
Total Fund Balances (Deficits)	<u>416,623</u>	<u>38,330</u>	<u>(240,056)</u>	<u>58</u>	<u>13,717</u>
Total Liabilities and Fund Balances	<u>\$ 418,376</u>	<u>\$ 39,356</u>	<u>\$ 387,475</u>	<u>\$ 58</u>	<u>\$ 14,545</u>

(Continued)

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004

	<u>Auxiliary Services</u>	<u>Career Development Program</u>	<u>Motorcycle Safety Education</u>	<u>Educational Management Information System</u>	<u>Public School Preschool Grant</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 271,944	\$ 0	\$ 3,190	\$ 149,271	\$ 672
Receivables:					
Accounts	1,802	0	0	0	0
Intergovernmental	<u>0</u>	<u>0</u>	<u>8,511</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 273,746</u>	<u>\$ 0</u>	<u>\$ 11,701</u>	<u>\$ 149,271</u>	<u>\$ 672</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 28,856	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	1,530	0	4,535	0	2,659
Compensated Absences Payable	12,000	0	164	0	0
Interfund Payable	0	0	0	0	6,643
Intergovernmental Payable	1,990	0	2,069	0	3,706
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>44,376</u>	<u>0</u>	<u>6,768</u>	<u>0</u>	<u>13,008</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	63,512	0	0	0	672
Unreserved, Undesignated (Deficit)	<u>165,858</u>	<u>0</u>	<u>4,933</u>	<u>149,271</u>	<u>(13,008)</u>
Total Fund Balances (Deficits)	<u>229,370</u>	<u>0</u>	<u>4,933</u>	<u>149,271</u>	<u>(12,336)</u>
Total Liabilities and Fund Balances	<u>\$ 273,746</u>	<u>\$ 0</u>	<u>\$ 11,701</u>	<u>\$ 149,271</u>	<u>\$ 672</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 JUNE 30, 2004**

	<u>Entry Year Programs</u>	<u>One Net Communique</u>	<u>School Net Professional Development</u>	<u>Textbook Subsidy</u>	<u>Ohio Reads</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 10,320	\$ 4,280	\$ 1,602	\$ 12,666
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 10,320</u>	<u>\$ 4,280</u>	<u>\$ 1,602</u>	<u>\$ 12,666</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,866
Accrued Wages and Benefits	0	0	0	0	0
Compensated Absences Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	54	0	465
Deferred Revenues	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>54</u>	<u>0</u>	<u>3,331</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	0	2,580	0	0	6,279
Unreserved, Undesignated (Deficit)	0	7,740	4,226	1,602	3,056
Total Fund Balances (Deficits)	<u>0</u>	<u>10,320</u>	<u>4,226</u>	<u>1,602</u>	<u>9,335</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 10,320</u>	<u>\$ 4,280</u>	<u>\$ 1,602</u>	<u>\$ 12,666</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2004**

	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Alternative School Grant</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 16,352	\$ 0	\$ 12,472	\$ 4,358	\$ 11,980
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Total Assets	<u>\$ 16,352</u>	<u>\$ 0</u>	<u>\$ 12,472</u>	<u>\$ 4,358</u>	<u>\$ 11,980</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,100
Accrued Wages and Benefits	0	336	3,658	0	205
Compensated Absences Payable	0	35	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	2,654	407	3,418	0	12
Deferred Revenues	0	0	0	0	0
Total Liabilities	<u>2,654</u>	<u>778</u>	<u>7,076</u>	<u>0</u>	<u>2,317</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	4,026	0	79	0	1,190
Unreserved, Undesignated (Deficit)	9,672	(778)	5,317	4,358	8,473
Total Fund Balances (Deficits)	<u>13,698</u>	<u>(778)</u>	<u>5,396</u>	<u>4,358</u>	<u>9,663</u>
Total Liabilities and Fund Balances	<u>\$ 16,352</u>	<u>\$ 0</u>	<u>\$ 12,472</u>	<u>\$ 4,358</u>	<u>\$ 11,980</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2004**

	<u>Adult Basic Education</u>	<u>IDEA (Flo Thru)</u>	<u>Vocational Education</u>	<u>Title III</u>	<u>Chinese Refugees</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 4,678	\$ 74,207	\$ 20,525	\$ 6,317	\$ 1,537
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	84,469	15,476	4,572	0
Total Assets	<u>\$ 4,678</u>	<u>\$ 158,676</u>	<u>\$ 36,001</u>	<u>\$ 10,889</u>	<u>\$ 1,537</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 563	\$ 12,250	\$ 1,028	\$ 0	\$ 0
Accrued Wages and Benefits	13,307	12,624	817	2,272	0
Compensated Absences Payable	0	249	72	0	0
Interfund Payable	0	72,263	7,956	0	0
Intergovernmental Payable	9,678	16,133	4,080	610	50
Deferred Revenues	0	84,469	15,476	4,572	0
Total Liabilities	<u>23,548</u>	<u>197,988</u>	<u>29,429</u>	<u>7,454</u>	<u>50</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	1,051	61,987	19,497	4,314	0
Unreserved, Undesignated (Deficit)	(19,921)	(101,299)	(12,925)	(879)	1,487
Total Fund Balances (Deficits)	<u>(18,870)</u>	<u>(39,312)</u>	<u>6,572</u>	<u>3,435</u>	<u>1,487</u>
Total Liabilities and Fund Balances	<u>\$ 4,678</u>	<u>\$ 158,676</u>	<u>\$ 36,001</u>	<u>\$ 10,889</u>	<u>\$ 1,537</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2004**

	<u>Title I</u>	<u>Title V Innovative Program</u>	<u>Drug Free Schools</u>	<u>Preschool Disabilities Grant</u>	<u>Continuous Improvement</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 135,525	\$ 1,759	\$ 1,411	\$ 218	\$ 0
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	215,176	2,799	0	1,800	0
Total Assets	<u>\$ 350,701</u>	<u>\$ 4,558</u>	<u>\$ 1,411</u>	<u>\$ 2,018</u>	<u>\$ 0</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 74,450	\$ 0	\$ 750	\$ 0	\$ 0
Accrued Wages and Benefits	14,446	0	0	162	0
Compensated Absences Payable	12,000	0	0	0	0
Interfund Payable	138,114	2,899	0	857	0
Intergovernmental Payable	23,502	1,364	281	856	0
Deferred Revenues	215,176	2,799	0	1,800	0
Total Liabilities	<u>477,688</u>	<u>7,062</u>	<u>1,031</u>	<u>3,675</u>	<u>0</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	61,134	1,759	581	218	0
Unreserved, Undesignated (Deficit)	(188,121)	(4,263)	(201)	(1,875)	0
Total Fund Balances (Deficits)	<u>(126,987)</u>	<u>(2,504)</u>	<u>380</u>	<u>(1,657)</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 350,701</u>	<u>\$ 4,558</u>	<u>\$ 1,411</u>	<u>\$ 2,018</u>	<u>\$ 0</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 JUNE 30, 2004**

	Title IIA - Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 38,163	\$ 124,046	\$ 1,737,930
Receivables:			
Accounts	0	0	31,175
Intergovernmental	<u>41,722</u>	<u>1,288,378</u>	<u>1,662,903</u>
Total Assets	<u>\$ 79,885</u>	<u>\$ 1,412,424</u>	<u>\$ 3,432,008</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 27,353	\$ 23,778	\$ 179,622
Accrued Wages and Benefits	14,388	13,493	91,660
Compensated Absences Payable	0	0	24,520
Interfund Payable	40,552	250,475	1,124,739
Intergovernmental Payable	9,041	14,911	108,583
Deferred Revenues	<u>41,722</u>	<u>907,233</u>	<u>1,273,247</u>
Total Liabilities	<u>133,056</u>	<u>1,209,890</u>	<u>2,802,371</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	9,980	102,228	412,160
Unreserved, Undesignated (Deficit)	<u>(63,151)</u>	<u>100,306</u>	<u>217,477</u>
Total Fund Balances (Deficits)	<u>(53,171)</u>	<u>202,534</u>	<u>629,637</u>
Total Liabilities and Fund Balances	<u>\$ 79,885</u>	<u>\$ 1,412,424</u>	<u>\$ 3,432,008</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, 2004

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Venture Capital- Boulevard</u>	<u>District Managed Activity</u>
Revenues					
Intergovernmental	\$ 0	\$ 0	\$ 5,640	\$ 0	\$ 0
Earnings on Investments	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	210,552	0	0	66,440
Classroom Materials and Fees	0	44,636	50	0	0
Miscellaneous	62,067	39,322	262,204	0	2,003
Total Revenues	<u>62,067</u>	<u>294,510</u>	<u>267,894</u>	<u>0</u>	<u>68,443</u>
Expenditures					
Current:					
Instruction:					
Regular	0	309,934	335,629	0	0
Special	0	0	0	0	0
Vocational Education	0	0	18,518	0	0
Adult/Continuing	0	0	9,072	0	0
Other	0	1,797	3,756	0	1,000
Support Services:					
Pupil	500	0	120,246	0	0
Instructional Staff	200	2,646	25	0	0
Administrative	0	0	343,488	0	0
Fiscal Services	0	0	0	0	0
Operation and Maintenance of Plant Services	0	0	5,878	0	0
Pupil Transportation	0	0	0	0	0
Central Services	52,170	0	0	0	0
Operation of Instructional Service:					
Food Service	0	0	24	0	0
Community Service	44,388	0	3,575	0	0
Extracurricular Activities	2,708	0	0	0	279,431
Capital Outlay	0	0	0	0	0
Total Expenditures	<u>99,966</u>	<u>314,377</u>	<u>840,211</u>	<u>0</u>	<u>280,431</u>
Excess of Revenues Over (Under) Expenditures	<u>(37,899)</u>	<u>(19,867)</u>	<u>(572,317)</u>	<u>0</u>	<u>(211,988)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	1,705	0	216,028
Transfers Out	0	0	(12,877)	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(11,172)</u>	<u>0</u>	<u>216,028</u>
Net Change in Fund Balance	(37,899)	(19,867)	(583,489)	0	4,040
Fund Balance (Deficit) Beginning of Year, Restated	<u>454,522</u>	<u>58,197</u>	<u>343,433</u>	<u>58</u>	<u>9,677</u>
Fund Balance (Deficit) End of Year	<u>\$ 416,623</u>	<u>\$ 38,330</u>	<u>\$ (240,056)</u>	<u>\$ 58</u>	<u>\$ 13,717</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, 2004

	Auxiliary Services	Career Development Program	Motorcycle Safety Education	Educational Management Information System	Public School Preschool Grant
Revenues					
Intergovernmental	\$ 1,684,986	\$ 0	\$ 66,758	\$ 25,787	\$ 137,511
Earnings on Investments	21,416	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Miscellaneous	1,802	0	14,011	0	0
Total Revenues	<u>1,708,204</u>	<u>0</u>	<u>80,769</u>	<u>25,787</u>	<u>137,511</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	0	0	44,206
Special	0	0	0	0	0
Vocational Education	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	0	0	0	70,487
Administrative	0	0	0	0	26,456
Fiscal Services	0	0	0	0	0
Operation and Maintenance of Plant Services	0	0	0	0	0
Pupil Transportation	0	0	0	0	1,576
Central Services	0	0	0	708	0
Operation of Instructional Service:					
Food Service	0	0	0	0	0
Community Service	1,424,681	0	61,990	0	0
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	<u>1,424,681</u>	<u>0</u>	<u>61,990</u>	<u>708</u>	<u>142,725</u>
Excess of Revenues Over (Under) Expenditures	<u>283,523</u>	<u>0</u>	<u>18,779</u>	<u>25,079</u>	<u>(5,214)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	408	0	0
Transfers Out	(63,426)	0	(407)	0	0
Total Other Financing Sources (Uses)	<u>(63,426)</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	220,097	0	18,780	25,079	(5,214)
Fund Balance (Deficit) Beginning of Year, Restated	<u>9,273</u>	<u>0</u>	<u>(13,847)</u>	<u>124,192</u>	<u>(7,122)</u>
Fund Balance (Deficit) End of Year	<u>\$ 229,370</u>	<u>\$ 0</u>	<u>\$ 4,933</u>	<u>\$ 149,271</u>	<u>\$ (12,336)</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, 2004**

	<u>Entry Year Programs</u>	<u>One Net Communique</u>	<u>School Net Professional Development</u>	<u>Textbook Subsidy</u>	<u>Ohio Reads</u>
Revenues					
Intergovernmental	\$ 17,600	\$ 42,000	\$ 6,750	\$ 0	\$ 47,000
Earnings on Investments	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	<u>17,600</u>	<u>42,000</u>	<u>6,750</u>	<u>0</u>	<u>47,000</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	476	0	12,226
Special	0	0	0	0	0
Vocational Education	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
Other	0	0	1,406	0	18,083
Support Services:					
Pupil	0	0	2,427	0	15,101
Instructional Staff	0	0	46	0	6,682
Administrative	0	0	0	0	17,870
Fiscal Services	0	0	0	0	0
Operation and Maintenance of Plant Services	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central Services	0	0	0	0	0
Operation of Instructional Service:					
Food Service	0	0	0	0	0
Community Service	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	31,680	0	0	0
Total Expenditures	<u>0</u>	<u>31,680</u>	<u>4,355</u>	<u>0</u>	<u>69,962</u>
Excess of Revenues Over (Under) Expenditures	<u>17,600</u>	<u>10,320</u>	<u>2,395</u>	<u>0</u>	<u>(22,962)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
Transfers Out	(17,600)	0	0	0	(2)
Total Other Financing Sources (Uses)	<u>(17,600)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2)</u>
Net Change in Fund Balance	0	10,320	2,395	0	(22,964)
Fund Balance (Deficit) Beginning of Year, Restated	0	0	1,831	1,602	32,299
Fund Balance (Deficit) End of Year	<u>\$ 0</u>	<u>\$ 10,320</u>	<u>\$ 4,226</u>	<u>\$ 1,602</u>	<u>\$ 9,335</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, 2004**

	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Alternative School Grant</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>
Revenues					
Intergovernmental	\$ 124,608	\$ 30,205	\$ 206,984	\$ 0	\$ 4,394
Earnings on Investments	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Miscellaneous	0	0	0	0	5,000
Total Revenues	<u>124,608</u>	<u>30,205</u>	<u>206,984</u>	<u>0</u>	<u>9,394</u>
Expenditures					
Current:					
Instruction:					
Regular	118,139	0	0	0	0
Special	0	0	0	0	0
Vocational Education	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
Other	0	3,727	0	0	1,377
Support Services:					
Pupil	3	0	200,273	0	2,384
Instructional Staff	0	0	0	0	10,206
Administrative	0	19,639	0	0	0
Fiscal Services	0	0	0	0	0
Operation and Maintenance of Plant Services	0	0	0	0	0
Pupil Transportation	2,950	0	977	0	0
Central Services	0	0	0	0	0
Operation of Instructional Service:					
Food Service	0	0	0	0	0
Community Service	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	<u>121,092</u>	<u>23,366</u>	<u>201,250</u>	<u>0</u>	<u>13,967</u>
Excess of Revenues Over (Under) Expenditures	<u>3,516</u>	<u>6,839</u>	<u>5,734</u>	<u>0</u>	<u>(4,573)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	3,516	6,839	5,734	0	(4,573)
Fund Balance (Deficit) Beginning of Year, Restated	<u>10,182</u>	<u>(7,617)</u>	<u>(338)</u>	<u>4,358</u>	<u>14,236</u>
Fund Balance (Deficit) End of Year	<u>\$ 13,698</u>	<u>\$ (778)</u>	<u>\$ 5,396</u>	<u>\$ 4,358</u>	<u>\$ 9,663</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, 2004**

	<u>Adult Basic Education</u>	<u>IDEA (Flo Thru)</u>	<u>Vocational Education</u>	<u>Title III</u>	<u>Chinese Refugees</u>
Revenues					
Intergovernmental	\$ 267,204	\$ 813,669	\$ 271,656	\$ 13,081	\$ 1,500
Earnings on Investments	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	<u>267,204</u>	<u>813,669</u>	<u>271,656</u>	<u>13,081</u>	<u>1,500</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	151,634	0	0	0
Vocational Education	0	0	127,579	0	0
Adult/Continuing	246,605	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	0	97,826	62,177	17,508	2,050
Instructional Staff	63,978	473,170	0	0	0
Administrative	0	119,488	12,645	0	0
Fiscal Services	0	0	0	0	0
Operation and Maintenance of Plant Services	0	0	0	0	0
Pupil Transportation	0	1,526	485	0	0
Central Services	0	0	25,162	0	0
Operation of Instructional Service:					
Food Service	0	0	0	0	0
Community Service	0	80,993	0	0	0
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	<u>310,583</u>	<u>924,637</u>	<u>228,048</u>	<u>17,508</u>	<u>2,050</u>
Excess of Revenues Over (Under) Expenditures	<u>(43,379)</u>	<u>(110,968)</u>	<u>43,608</u>	<u>(4,427)</u>	<u>(550)</u>
Other Financing Sources (Uses)					
Transfers In	30,701	39,535	0	0	0
Transfers Out	(30,701)	(39,535)	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(43,379)	(110,968)	43,608	(4,427)	(550)
Fund Balance (Deficit) Beginning of Year, Restated	<u>24,509</u>	<u>71,656</u>	<u>(37,036)</u>	<u>7,862</u>	<u>2,037</u>
Fund Balance (Deficit) End of Year	<u>\$ (18,870)</u>	<u>\$ (39,312)</u>	<u>\$ 6,572</u>	<u>\$ 3,435</u>	<u>\$ 1,487</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, 2004**

	Title I	Title V Innovative Program	Drug Free Schools	Preschool Disabilities Grant	Continuous Improvement
Revenues					
Intergovernmental	\$ 1,045,773	\$ 56,290	\$ 27,986	\$ 30,188	\$ 0
Earnings on Investments	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	<u>1,045,773</u>	<u>56,290</u>	<u>27,986</u>	<u>30,188</u>	<u>0</u>
Expenditures					
Current:					
Instruction:					
Regular	40,606	44,734	23,817	0	0
Special	796,889	378	0	2,697	0
Vocational Education	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
Other	43,707	1,276	0	0	0
Support Services:					
Pupil	0	1,539	0	32,898	0
Instructional Staff	157,098	0	0	0	0
Administrative	81,466	0	52	0	0
Fiscal Services	0	0	0	0	0
Operation and Maintenance of Plant Services	0	0	0	0	0
Pupil Transportation	4,969	0	0	0	0
Central Services	0	0	0	0	0
Operation of Instructional Service:					
Food Service	0	0	0	0	0
Community Service	84,367	12,659	4,484	0	0
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	<u>1,209,102</u>	<u>60,586</u>	<u>28,353</u>	<u>35,595</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(163,329)</u>	<u>(4,296)</u>	<u>(367)</u>	<u>(5,407)</u>	<u>0</u>
Other Financing Sources (Uses)					
Transfers In	128,723	210	1,643	4,588	0
Transfers Out	(134,723)	(210)	(1,643)	(4,588)	0
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(169,329)	(4,296)	(367)	(5,407)	0
Fund Balance (Deficit) Beginning of Year, Restated	42,342	1,792	747	3,750	0
Fund Balance (Deficit) End of Year	<u>\$ (126,987)</u>	<u>\$ (2,504)</u>	<u>\$ 380</u>	<u>\$ (1,657)</u>	<u>\$ 0</u>

(Continued)

**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, 2004**

	Title IIA - Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues			
Intergovernmental	\$ 457,856	\$1,225,757	\$6,611,183
Earnings on Investments	0	0	21,416
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	276,992
Classroom Materials and Fees	0	0	44,686
Miscellaneous	0	0	386,409
Total Revenues	<u>457,856</u>	<u>1,225,757</u>	<u>7,340,686</u>
Expenditures			
Current:			
Instruction:			
Regular	384,774	68,940	1,383,481
Special	0	2,883	954,481
Vocational Education	0	0	146,097
Adult/Continuing	0	0	255,677
Other	0	744	76,873
Support Services:			
Pupil	1,704	876,269	1,432,905
Instructional Staff	147,418	28,964	960,920
Administrative	0	0	621,104
Fiscal Services	0	0	0
Operation and Maintenance of Plant Services	0	0	5,878
Pupil Transportation	0	0	12,483
Central Services	0	49,029	127,069
Operation of Instructional Service:			
Food Service	0	0	24
Community Service	6,143	3,094	1,726,374
Extracurricular Activities	0	0	282,139
Capital Outlay	0	0	31,680
Total Expenditures	<u>540,039</u>	<u>1,029,923</u>	<u>8,017,185</u>
Excess of Revenues Over (Under) Expenditures	<u>(82,183)</u>	<u>195,834</u>	<u>(676,499)</u>
Other Financing Sources (Uses)			
Transfers In	48,836	6,752	479,129
Transfers Out	<u>(48,836)</u>	<u>(6,752)</u>	<u>(361,300)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>117,829</u>
Net Change in Fund Balance	(82,183)	195,834	(558,670)
Fund Balance (Deficit) Beginning of Year, Restated	<u>29,012</u>	<u>6,700</u>	<u>1,188,307</u>
Fund Balance (Deficit) End of Year	<u>\$ (53,171)</u>	<u>\$ 202,534</u>	<u>\$ 629,637</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUND
JUNE 30, 2004**

	School Net Plus
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,023
Total Assets	<u>\$ 2,023</u>
<u>Liabilities and Fund Balances</u>	
Total Liabilities	\$ 0
<u>Fund Balance</u>	
Unreserved, Undesignated	<u>2,023</u>
Total Fund Balances	<u>2,023</u>
Total Liabilities and Fund Balances	<u>\$ 2,023</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR CAPITAL PROJECT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	School Net Plus
<u>Total Revenues</u>	<u>\$ 0</u>
<u>Expenditures</u>	
Building Acquisition	<u>92,998</u>
Total Expenditures	<u>92,998</u>
Net Change in Fund Balance	(92,998)
Fund Balance Beginning of Year	<u>95,021</u>
Fund Balance End of Year	<u><u>\$ 2,023</u></u>

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2004

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
<u>Assets</u>					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 1,632	\$ 40,595	\$ 0	\$ 6,265	\$ 48,492
Accounts Receivable	0	135	0	18,192	18,327
Intergovernmental Receivable	241,571	0	0	0	241,571
Inventory Held for Resale	47,272	0	0	0	47,272
Materials and Supplies Inventory	<u>3,530</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,530</u>
Total Current Assets	294,005	40,730	0	24,457	359,192
Fixed Assets (Net of Depreciation)	<u>0</u>	<u>0</u>	<u>0</u>	<u>635,783</u>	<u>635,783</u>
Total Assets	<u>294,005</u>	<u>40,730</u>	<u>0</u>	<u>660,240</u>	<u>994,975</u>
<u>Liabilities</u>					
Current Liabilities:					
Accounts Payable	1,374	0	0	725	2,099
Accrued Wages and Benefits	19,569	0	0	26,674	46,243
Compensated Absences Payable	990	0	0	3,737	4,727
Interfund Payable	783,728	0	0	0	783,728
Intergovernmental Payable	28,280	0	0	33,684	61,964
Deferred Revenue	<u>1,760</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,760</u>
Total Current Liabilities	835,701	0	0	64,820	900,521
Non-Current Liabilities:					
Compensated Absences	<u>30,929</u>	<u>0</u>	<u>0</u>	<u>39,530</u>	<u>70,459</u>
Total Liabilities	<u>866,630</u>	<u>0</u>	<u>0</u>	<u>104,350</u>	<u>970,980</u>
<u>Net Assets</u>					
Unreserved (Deficit)	<u>(572,625)</u>	<u>40,730</u>	<u>0</u>	<u>555,890</u>	<u>23,995</u>
Total Net Assets (Deficit)	<u>\$ (572,625)</u>	<u>\$ 40,730</u>	<u>\$ 0</u>	<u>\$ 555,890</u>	<u>\$ 23,995</u>

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2004

	Food Services	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
<u>Operating Revenues</u>					
Intergovernmental	\$ 58,027	\$ 0	\$ 0	\$ 0	\$ 58,027
Tuition and Fees	0	0	0	1,101,679	1,101,679
Food Services	1,127,693	0	0	0	1,127,693
Classroom Materials and Fees	0	54,614	0	0	54,614
Miscellaneous	0	23,038	18,245	79,605	120,888
Total Operating Revenues	<u>1,185,720</u>	<u>77,652</u>	<u>18,245</u>	<u>1,181,284</u>	<u>2,462,901</u>
<u>Operating Expenses</u>					
Salaries and Wages	797,502	0	0	991,557	1,789,059
Fringe Benefits	351,367	0	0	239,160	590,527
Purchased Services	1,254,340	658	28,046	29,826	1,312,870
Supplies and Materials	66,883	68,888	2,531	102,926	241,228
Capital Outlay	1,307	0	0	4,079	5,386
Other	3,566	1,267	2,500	10,713	18,046
Depreciation	0	0	0	17,029	17,029
Total Operating Expenses	<u>2,474,965</u>	<u>70,813</u>	<u>33,077</u>	<u>1,395,290</u>	<u>3,974,145</u>
Operating Income (Loss)	<u>(1,289,245)</u>	<u>6,839</u>	<u>(14,832)</u>	<u>(214,006)</u>	<u>(1,511,244)</u>
<u>Non-Operating Revenues</u>					
Federal Donated Commodities	166,279	0	0	0	166,279
Operating Grants	793,204	0	0	0	793,204
Total Non-Operating Revenues	<u>959,483</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>959,483</u>
Income (Loss) Before Operating Transfers	<u>(329,762)</u>	<u>6,839</u>	<u>(14,832)</u>	<u>(214,006)</u>	<u>(551,761)</u>
<u>Transfers</u>					
Transfers In	0	0	13,760	253,695	267,455
Total Transfers	<u>0</u>	<u>0</u>	<u>13,760</u>	<u>253,695</u>	<u>267,455</u>
Net Income (Loss)	(329,762)	6,839	(1,072)	39,689	(284,306)
Net Assets (Deficit) Beginning of Year, Restated	<u>(242,863)</u>	<u>33,891</u>	<u>1,072</u>	<u>516,201</u>	<u>308,301</u>
Net Assets (Deficit) End of Year	<u>\$ (572,625)</u>	<u>\$ 40,730</u>	<u>\$ 0</u>	<u>\$ 555,890</u>	<u>\$ 23,995</u>

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Food Service	Uniform School Supplies	Customer Services	Community Service	Nonmajor Enterprise
<i>Increase (Decrease) in Cash and Cash Equivalents</i>					
<u>Cash Flows from Operating Activities</u>					
Cash Received from Customers	\$ 999,245	\$ 54,479	\$ 0	\$ 1,084,127	\$ 2,137,851
Cash Received from Other Operating Sources	0	24,922	18,245	79,605	122,772
Cash Payments to Suppliers for Goods and Services	(1,113,193)	(69,546)	(32,111)	(146,706)	(1,361,556)
Cash Payments to Employees for Services	(779,481)	0	0	(1,020,161)	(1,799,642)
Cash Payments for Employee Benefits	(347,330)	0	0	(234,358)	(581,688)
Cash Payments for Other	(3,566)	(1,267)	(2,500)	(10,713)	(18,046)
Net Cash Provided by (Used for) Operating Activities	<u>(1,244,325)</u>	<u>8,588</u>	<u>(16,366)</u>	<u>(248,206)</u>	<u>(1,500,309)</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Operating Grants Received	793,204	0	0	0	793,204
Transfers In	0	0	13,760	253,695	267,455
Advances in	450,560	0	0	0	450,560
Net Cash Provided by Noncapital Financing Activities	<u>1,243,764</u>	<u>0</u>	<u>13,760</u>	<u>253,695</u>	<u>1,511,219</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Payments for Capital Acquisitions	(1,307)	0	0	(23,927)	(25,234)
Net Cash (Used for) Capital and Related Financing Activities	<u>(1,307)</u>	<u>0</u>	<u>0</u>	<u>(23,927)</u>	<u>(25,234)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,868)	8,588	(2,606)	(18,438)	(14,324)
Cash and Cash Equivalents Beginning of Year	3,500	32,007	2,606	24,703	62,816
Cash and Cash Equivalents End of Year	<u>\$ 1,632</u>	<u>\$ 40,595</u>	<u>\$ 0</u>	<u>\$ 6,265</u>	<u>\$ 48,492</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Operating Income (Loss)	\$(1,289,245)	\$ 6,839	\$ (14,832)	\$ (214,006)	\$(1,511,244)
Adjustments:					
Depreciation	0	0	0	17,029	17,029
Commodities	166,279	0	0	0	166,279
(Increase) Decrease in Assets:					
Accounts Receivable	0	1,749	0	(17,552)	(15,803)
Inventory Held for Resale	44,068	0	0	0	44,068
Materials and Supplies Inventory	178	0	0	0	178
Intergovernmental Receivable	(186,475)	0	0	0	(186,475)
Increase (Decrease) in Liabilities:					
Accounts Payable	(1,188)	0	(1,464)	(9,875)	(12,527)
Accrued Wages and Benefits	3,837	0	0	(25,841)	(22,004)
Compensated Absences Payable	14,184	0	0	(2,763)	11,421
Intergovernmental Payable	4,037	0	(70)	4,802	8,769
Total Adjustments	<u>44,920</u>	<u>1,749</u>	<u>(1,534)</u>	<u>(34,200)</u>	<u>10,935</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,244,325)</u>	<u>\$ 8,588</u>	<u>\$ (16,366)</u>	<u>\$ (248,206)</u>	<u>\$ (1,500,309)</u>

Schedule of Noncash Financing Activities

During the year, the Food Services Enterprise Fund received donated commodities of \$166,279.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR INTERNAL SERVICE FUNDS
JUNE 30, 2004

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,103,025	\$ 701,739	\$ 1,804,764
Receivables:			
Accounts	<u>4</u>	<u>0</u>	<u>4</u>
Total Assets	<u>1,103,029</u>	<u>701,739</u>	<u>1,804,768</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	5,417	0	5,417
Accrued Wages and Benefits	2,283	0	2,283
Intergovernmental Payable	857	0	857
Claims Payable	<u>128,900</u>	<u>209,909</u>	<u>338,809</u>
Total Current Liabilities	<u>137,457</u>	<u>209,909</u>	<u>347,366</u>
Total Liabilities	<u>137,457</u>	<u>209,909</u>	<u>347,366</u>
<u>Net Assets</u>			
Unreserved	<u>965,572</u>	<u>491,830</u>	<u>1,457,402</u>
Total Net Assets	<u>\$ 965,572</u>	<u>\$ 491,830</u>	<u>\$ 1,457,402</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
 NONMAJOR INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
<u>Operating Revenues</u>			
Tuition	\$ 1,488,746	\$ 0	\$ 1,488,746
Total Operating Revenues	<u>1,488,746</u>	<u>0</u>	<u>1,488,746</u>
<u>Operating Expenses</u>			
Salaries and Wages	35,771	0	35,771
Fringe Benefits	1,817,649	969,964	2,787,613
Purchased Services	58,050	16,875	74,925
Total Operating Expenses	<u>1,911,470</u>	<u>986,839</u>	<u>2,898,309</u>
Net Loss	(422,724)	(986,839)	(1,409,563)
Net Assets Beginning of Year	<u>1,388,296</u>	<u>1,478,669</u>	<u>2,866,965</u>
Net Assets End of Year	<u>\$ 965,572</u>	<u>\$ 491,830</u>	<u>\$ 1,457,402</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Governmental Activities Internal Service Funds</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
<u>Cash Flows from Operating Activities</u>			
Cash Received from Quasi-External Transactions with Other Funds	\$ 5,114,674	\$ 0	\$ 5,114,674
Cash Payments to Suppliers for Goods and Services	(58,050)	(22,500)	(80,550)
Cash Payments to Employees for Services	(34,112)	0	(34,112)
Cash Payments for Claims	<u>(5,422,127)</u>	<u>(969,814)</u>	<u>(6,391,941)</u>
Net Cash Used for Operating Activities	<u>(399,615)</u>	<u>(992,314)</u>	<u>(1,391,929)</u>
Net Decrease in Cash and Cash Equivalents	(399,615)	(992,314)	(1,391,929)
Cash and Cash Equivalents Beginning of Year	<u>1,502,640</u>	<u>1,694,053</u>	<u>3,196,693</u>
Cash and Cash Equivalents End of Year	<u>\$ 1,103,025</u>	<u>\$ 701,739</u>	<u>\$ 1,804,764</u>
<u>Reconciliation of Operating Income to Net Cash Used for Operating Activities</u>			
Operating Loss	\$ (422,724)	\$ (986,839)	\$(1,409,563)
Adjustments:			
(Increase) Decrease in Assets:			
Accounts Receivable	4,538	0	4,538
Increase (Decrease) in Liabilities:			
Accounts Payable	5,417	(5,625)	(208)
Accrued Wages and Benefits	1,659	0	1,659
Intergovernmental Payable	295	0	295
Claims Payable	<u>11,200</u>	<u>150</u>	<u>11,350</u>
Total Adjustments	<u>23,109</u>	<u>(5,475)</u>	<u>17,634</u>
Net Cash Used for Operating Activities	<u>\$ (399,615)</u>	<u>\$ (992,314)</u>	<u>\$ (1,391,929)</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, 2004**

	<u>Balance</u> <u>06/30/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/04</u>
<i>Student Activities</i>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 112,440	\$ 121,350	\$ 108,862	\$ 124,928
Accounts Receivable	<u>0</u>	<u>2,741</u>	<u>0</u>	<u>2,741</u>
Total Assets	<u>\$ 112,440</u>	<u>\$ 124,091</u>	<u>\$ 108,862</u>	<u>\$ 127,669</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,988	\$ 2,657	\$ 1,988	\$ 2,657
Intergovernmental Payable	16	41	16	41
Due to Students	<u>110,436</u>	<u>14,535</u>	<u>0</u>	<u>124,971</u>
Total Liabilities	<u>\$ 112,440</u>	<u>\$ 17,233</u>	<u>\$ 2,004</u>	<u>\$ 127,669</u>

INDIVIDUAL FUND SCHEDULES OF
REVENUE, EXPENDITURES/EXPENSES,
AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BASIS)
AND ACTUAL



SHAYLA WILEY
Grade 7, Wiley Middle School



MYSTIQUE MOORE
Grade 7, Wiley Middle School



**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$48,864,566	\$51,000,000	\$50,253,533	\$ (746,467)
Intergovernmental	25,854,521	26,709,994	26,949,489	239,495
Tuition and Fees	299,744	1,155,500	673,496	(482,004)
Transportation Fees	48,346	58,000	72,520	14,520
Earnings on Investments	725,187	400,000	159,657	(240,343)
Classroom Materials and Fees	29,007	30,000	3,308	(26,692)
Miscellaneous	<u>170,177</u>	<u>79,500</u>	<u>148,991</u>	<u>69,491</u>
Total Revenues	<u>75,991,548</u>	<u>79,432,994</u>	<u>78,260,994</u>	<u>(1,172,000)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	25,141,313	25,145,513	25,000,545	144,968
Fringe Benefits	8,371,094	6,741,094	7,592,433	(851,339)
Purchased Services	193,386	251,563	172,430	79,133
Supplies and Materials	512,470	531,855	445,111	86,744
Capital Outlay	33,054	45,377	36,679	8,698
Other	<u>22,162</u>	<u>34,172</u>	<u>32,768</u>	<u>1,404</u>
Total Regular Instruction	<u>34,273,479</u>	<u>32,749,574</u>	<u>33,279,966</u>	<u>(530,392)</u>
Special Instruction:				
Salaries and Wages	4,990,092	4,988,336	4,900,618	87,718
Fringe Benefits	1,799,452	1,799,452	1,703,660	95,792
Purchased Services	100,459	104,985	79,763	25,222
Supplies and Materials	41,098	58,189	48,264	9,925
Capital Outlay	18,300	16,670	2,891	13,779
Other	<u>28,297</u>	<u>20,611</u>	<u>20,336</u>	<u>275</u>
Total Special Instruction	<u>6,977,698</u>	<u>6,988,243</u>	<u>6,755,532</u>	<u>232,711</u>
Vocational Education:				
Salaries and Wages	1,112,398	1,112,398	1,136,373	(23,975)
Fringe Benefits	375,520	375,520	371,496	4,024
Purchased Services	5,389	6,793	4,294	2,499
Supplies and Materials	49,053	48,576	35,524	13,052
Capital Outlay	3,740	3,270	1,670	1,600
Other	<u>540</u>	<u>540</u>	<u>274</u>	<u>266</u>
Total Vocational Education	<u>1,546,640</u>	<u>1,547,097</u>	<u>1,549,631</u>	<u>(2,534)</u>
Adult/Continuing:				
Salaries and Wages	2,750	2,750	2,406	344
Fringe Benefits	<u>469</u>	<u>469</u>	<u>337</u>	<u>132</u>
Total Adult/Continuing	<u>3,219</u>	<u>3,219</u>	<u>2,743</u>	<u>476</u>
Other:				
Purchased Services	2,664,475	2,664,475	3,155,178	(490,703)
Other	<u>0</u>	<u>50,000</u>	<u>50,366</u>	<u>(366)</u>
Total Other	<u>2,664,475</u>	<u>2,714,475</u>	<u>3,205,544</u>	<u>(491,069)</u>
Total Instruction	<u>45,465,511</u>	<u>44,002,608</u>	<u>44,793,416</u>	<u>(790,808)</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Support Services:				
Pupil:				
Salaries and Wages	5,413,034	5,413,034	5,361,294	51,740
Fringe Benefits	1,835,225	1,835,225	1,790,269	44,956
Purchased Services	357,790	347,577	200,339	147,238
Supplies and Materials	95,122	95,486	69,793	25,693
Capital Outlay	28,233	29,583	14,805	14,778
Other	3,625	4,076	2,283	1,793
Total Pupil	<u>7,733,029</u>	<u>7,724,981</u>	<u>7,438,783</u>	<u>286,198</u>
Instructional Staff:				
Salaries and Wages	2,673,871	2,649,411	2,595,710	53,701
Fringe Benefits	950,104	950,104	906,301	43,803
Purchased Services	227,783	198,353	133,979	64,374
Supplies and Materials	1,593,155	1,135,878	1,401,975	(266,097)
Capital Outlay	65,257	69,917	27,706	42,211
Other	12,510	14,500	11,845	2,655
Total Instructional Staff	<u>5,522,680</u>	<u>5,018,163</u>	<u>5,077,516</u>	<u>(59,353)</u>
Board of Education				
Salaries and Wages	0	0	15,090	(15,090)
Fringe Benefits	45,307	170,307	163,504	6,803
Purchased Services	671,610	221,610	589,322	(367,712)
Supplies and Materials	1,850	1,850	393	1,457
Other	5,500	5,500	5,063	437
Total Board of Education	<u>724,267</u>	<u>399,267</u>	<u>773,372</u>	<u>(374,105)</u>
Administrative:				
Salaries and Wages	3,991,354	3,993,354	3,789,161	204,193
Fringe Benefits	1,361,539	1,361,539	1,262,610	98,929
Purchased Services	92,584	86,598	34,493	52,105
Supplies and Materials	211,797	219,200	159,136	60,064
Capital Outlay	51,480	90,059	70,178	19,881
Other	23,056	24,877	12,838	12,039
Total Administrative	<u>5,731,810</u>	<u>5,775,627</u>	<u>5,328,416</u>	<u>447,211</u>
Fiscal Services:				
Salaries and Wages	619,971	619,971	642,569	(22,598)
Fringe Benefits	250,334	250,334	252,467	(2,133)
Purchased Services	366,693	366,693	258,411	108,282
Supplies and Materials	62,484	146,851	17,604	129,247
Capital Outlay	30,660	30,660	3,144	27,516
Other	900,000	375,000	396,009	(21,009)
Total Fiscal Services	<u>2,230,142</u>	<u>1,789,509</u>	<u>1,570,204</u>	<u>219,305</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Business:				
Salaries and Wages	363,817	43,817	412,419	(368,602)
Fringe Benefits	137,088	137,088	156,883	(19,795)
Purchased Services	1,741,517	1,611,539	1,446,468	165,071
Supplies and Materials	161,491	161,469	107,732	53,737
Capital Outlay	8,195	8,195	3,821	4,374
Other	<u>759,300</u>	<u>3,391,371</u>	<u>3,282,561</u>	<u>108,810</u>
Total Business	<u>3,171,408</u>	<u>5,353,479</u>	<u>5,409,884</u>	<u>(56,405)</u>
Operation and Maintenance of Plant Services:				
Salaries and Wages	4,106,146	4,106,146	3,583,825	522,321
Fringe Benefits	2,259,397	2,259,397	1,779,028	480,369
Purchased Services	3,676,076	3,754,939	3,702,600	52,339
Supplies and Materials	1,061,194	990,133	848,369	141,764
Capital Outlay	184,583	180,383	113,961	66,422
Other	<u>32,148</u>	<u>36,746</u>	<u>35,846</u>	<u>900</u>
Total Operation and Maintenance of Plant Services	<u>11,319,544</u>	<u>11,327,744</u>	<u>10,063,629</u>	<u>1,264,115</u>
Pupil Transportation:				
Salaries and Wages	1,509,767	1,509,767	1,471,875	37,892
Fringe Benefits	666,777	666,777	664,624	2,153
Purchased Services	436,045	736,875	732,571	4,304
Supplies and Materials	363,666	310,604	293,640	16,964
Capital Outlay	12,000	5,046	4,973	73
Other	<u>1,200</u>	<u>2,700</u>	<u>2,080</u>	<u>620</u>
Total Pupil Transportation	<u>2,989,455</u>	<u>3,231,769</u>	<u>3,169,763</u>	<u>62,006</u>
Central Services:				
Salaries and Wages	1,310,411	1,317,911	1,246,389	71,522
Fringe Benefits	495,772	495,772	464,299	31,473
Purchased Services	851,035	844,535	793,103	51,432
Supplies and Materials	176,713	187,713	130,735	56,978
Capital Outlay	152,521	10,521	0	10,521
Other	<u>8,350</u>	<u>8,350</u>	<u>3,671</u>	<u>4,679</u>
Total Central Services	<u>2,994,802</u>	<u>2,864,802</u>	<u>2,638,197</u>	<u>226,605</u>
Total Support Services	<u>42,417,137</u>	<u>43,485,341</u>	<u>41,469,764</u>	<u>2,015,577</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	0	195	194	1
Fringe Benefits	0	0	29	(29)
Purchased Services	42,632	35,323	31,700	3,623
Supplies and Materials	<u>0</u>	<u>3,450</u>	<u>2,092</u>	<u>1,358</u>
Total Community Services	<u>42,632</u>	<u>38,968</u>	<u>34,015</u>	<u>4,953</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Other Operation of Non-Instructional Services:				
Salaries and Wages	59,894	59,894	30,740	29,154
Fringe Benefits	10,498	10,498	5,142	5,356
Purchased Services	7,033	7,033	5,220	1,813
Supplies and Materials	6,045	6,325	5,065	1,260
Capital Outlay	75	75	1,048	(973)
Other	<u>1,200</u>	<u>920</u>	<u>808</u>	<u>112</u>
Total Other Operation of Non-Instructional Services	<u>84,745</u>	<u>84,745</u>	<u>48,023</u>	<u>36,722</u>
Total Operation of Non-Instructional Services	<u>127,377</u>	<u>123,713</u>	<u>82,038</u>	<u>41,675</u>
Extracurricular Activities:				
Salaries and Wages	552,291	552,291	686,394	(134,103)
Fringe Benefits	<u>111,114</u>	<u>111,114</u>	<u>112,916</u>	<u>(1,802)</u>
Total Extracurricular Activities	<u>663,405</u>	<u>663,405</u>	<u>799,310</u>	<u>(135,905)</u>
Debt Service:				
Principal Retirement	280,809	280,809	280,809	0
Interest Expense	<u>16,820</u>	<u>16,820</u>	<u>16,820</u>	<u>0</u>
Total Debt Service	<u>297,629</u>	<u>297,629</u>	<u>297,629</u>	<u>0</u>
Total Expenditures	<u>88,971,059</u>	<u>88,572,696</u>	<u>87,442,157</u>	<u>1,130,539</u>
Excess of Revenue Over (Under) Expenditures	<u>(12,979,511)</u>	<u>(9,139,702)</u>	<u>(9,181,163)</u>	<u>(41,461)</u>
Other Financing Sources (Uses)				
Transfers In	0	81,505	98,199	16,694
Transfers Out	(935,500)	(967,954)	(965,773)	2,181
Advances In	1,900,000	418,570	256,181	(162,389)
Advances Out	<u>0</u>	<u>(1,700,431)</u>	<u>(1,700,431)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>964,500</u>	<u>(2,168,310)</u>	<u>(2,311,824)</u>	<u>(143,514)</u>
Net Change in Fund Balance	<u>(12,015,011)</u>	<u>(11,308,012)</u>	<u>(11,492,987)</u>	<u>(184,975)</u>
Fund Balance Beginning of Year	9,476,080	9,476,080	9,476,080	0
Prior Year Encumbrances Appropriated	<u>3,139,554</u>	<u>3,139,554</u>	<u>3,139,554</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 600,623</u>	<u>\$ 1,307,622</u>	<u>\$ 1,122,647</u>	<u>\$ (184,975)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL-
BOND RETIREMENT DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Taxes	\$ 699,026	\$ 641,000	\$ 727,119	\$ 86,119
Total Revenues	<u>699,026</u>	<u>641,000</u>	<u>727,119</u>	<u>86,119</u>
<u>Expenditures</u>				
Current:				
Debt Service:				
Principal Retirement	655,000	655,000	655,000	0
Interest and Fiscal Charges	<u>702,000</u>	<u>685,265</u>	<u>685,251</u>	<u>14</u>
Total Debt Service	<u>1,357,000</u>	<u>1,340,265</u>	<u>1,340,251</u>	<u>14</u>
Total Expenditures	<u>1,357,000</u>	<u>1,340,265</u>	<u>1,340,251</u>	<u>14</u>
Excess of Revenues Over (Under) Expenditures	<u>(657,974)</u>	<u>(699,265)</u>	<u>(613,132)</u>	<u>86,133</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Issuance of Qualified Zone				
Academy Bonds	2,000,000	5,500,000	5,500,000	0
Transfers In	0	660,546	660,546	0
Transfers Out	<u>0</u>	<u>(5,450,000)</u>	<u>(5,450,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>2,000,000</u>	<u>710,546</u>	<u>710,546</u>	<u>0</u>
Net Change in Fund Balance	1,342,026	11,281	97,414	86,133
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,342,026</u>	<u>\$ 11,281</u>	<u>\$ 97,414</u>	<u>\$ 86,133</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP) AND ACTUAL -
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Taxes	\$ 3,701,882	\$ 3,648,860	\$ 3,283,812	\$ (365,048)
Intergovernmental	0	655,786	418,972	(236,814)
Miscellaneous	0	67,412	67,412	0
Total Revenues	<u>3,701,882</u>	<u>4,372,058</u>	<u>3,770,196</u>	<u>(601,862)</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Instruction:				
Supplies and Materials	750	750	750	0
Capital Outlay	1,110	1,110	0	1,110
Total Regular Instruction	<u>1,860</u>	<u>1,860</u>	<u>750</u>	<u>1,110</u>
Total Instruction	<u>1,860</u>	<u>1,860</u>	<u>750</u>	<u>1,110</u>
Support Services:				
Operation and Maintenance of Plant Services:				
Purchased Services	692,254	1,157,679	1,003,237	154,442
Supplies and Materials	10,728	10,728	10,638	90
Capital Outlay	6,155,591	14,186,487	13,071,583	1,114,904
Other	<u>2,645,631</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operation and Maintenance of Plant Services	<u>9,504,204</u>	<u>15,354,894</u>	<u>14,085,458</u>	<u>1,269,436</u>
Pupil Transportation:				
Capital Outlay	0	184,412	184,412	0
Total Pupil Transportation	<u>0</u>	<u>184,412</u>	<u>184,412</u>	<u>0</u>
Total Support Services	<u>9,504,204</u>	<u>15,539,306</u>	<u>14,269,870</u>	<u>1,269,436</u>
Total Expenditures	<u>9,506,064</u>	<u>15,541,166</u>	<u>14,270,620</u>	<u>1,270,546</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,804,182)</u>	<u>(11,169,108)</u>	<u>(10,500,424)</u>	<u>668,684</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	5,450,000	5,450,000	0
Transfers Out	0	(178,256)	(178,256)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>5,271,744</u>	<u>5,271,744</u>	<u>0</u>
Net Change in Fund Balance	<u>(5,804,182)</u>	<u>(5,897,364)</u>	<u>(5,228,680)</u>	<u>668,684</u>
Fund Balance Beginning of Year	982,433	982,433	982,433	0
Prior Year Encumbrances Appropriated	<u>5,785,863</u>	<u>5,785,863</u>	<u>5,785,863</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 964,114</u>	<u>\$ 870,932</u>	<u>\$ 1,539,616</u>	<u>\$ 668,684</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP) AND ACTUAL -
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Earnings on Investments	\$ 2,747	\$ 2,747	\$ 0	\$ (2,747)
Miscellaneous	<u>102,399</u>	<u>12,425</u>	<u>60,867</u>	<u>48,442</u>
Total Revenues	<u>105,146</u>	<u>15,172</u>	<u>60,867</u>	<u>45,695</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Instruction:				
Purchased Services	500	500	0	500
Supplies and Materials	<u>1,266</u>	<u>1,266</u>	<u>0</u>	<u>1,266</u>
Total Regular Instruction	<u>1,766</u>	<u>1,766</u>	<u>0</u>	<u>1,766</u>
Total Instruction	<u>1,766</u>	<u>1,766</u>	<u>0</u>	<u>1,766</u>
Support Services:				
Pupil:				
Other	<u>11,536</u>	<u>13,375</u>	<u>500</u>	<u>12,875</u>
Total Pupil	<u>11,536</u>	<u>13,375</u>	<u>500</u>	<u>12,875</u>
Instructional Staff:				
Purchased Services	<u>2,153</u>	<u>2,153</u>	<u>325</u>	<u>1,828</u>
Total Instructional Staff	<u>2,153</u>	<u>2,153</u>	<u>325</u>	<u>1,828</u>
Central Services:				
Purchased Services	<u>0</u>	<u>52,170</u>	<u>52,170</u>	<u>0</u>
Total Central Services	<u>0</u>	<u>52,170</u>	<u>52,170</u>	<u>0</u>
Total Support Services	<u>13,689</u>	<u>67,698</u>	<u>52,995</u>	<u>14,703</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	71,702	29,940	29,940	0
Supplies and Materials	11,728	11,728	11,465	263
Other	<u>108,539</u>	<u>56,469</u>	<u>10,837</u>	<u>45,632</u>
Total Community Services	<u>191,969</u>	<u>98,137</u>	<u>52,242</u>	<u>45,895</u>
Total Operation of Non-Instructional Services	<u>191,969</u>	<u>98,137</u>	<u>52,242</u>	<u>45,895</u>
Extracurricular Activities:				
Other	<u>27,866</u>	<u>31,419</u>	<u>2,708</u>	<u>28,711</u>
Total Extracurricular Activities	<u>27,866</u>	<u>31,419</u>	<u>2,708</u>	<u>28,711</u>
Total Expenditures	<u>235,290</u>	<u>199,020</u>	<u>107,945</u>	<u>91,075</u>
Excess of Revenues Over (Under) Expenditures	<u>(130,144)</u>	<u>(183,848)</u>	<u>(47,078)</u>	<u>136,770</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SPECIAL TRUST FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Other Financing Sources (Uses):				
Transfers Out	<u>(40,847)</u>	<u>(40,847)</u>	<u>0</u>	<u>40,847</u>
Total Other Financing Sources (Uses)	<u>(40,847)</u>	<u>(40,847)</u>	<u>0</u>	<u>40,847</u>
Net Change in Fund Balance	(170,991)	(224,695)	(47,078)	177,617
Fund Balance Beginning of Year	446,022	446,022	446,022	0
Prior Year Encumbrances Appropriated	<u>8,500</u>	<u>8,500</u>	<u>8,500</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 283,531</u>	<u>\$ 229,827</u>	<u>\$ 407,444</u>	<u>\$ 177,617</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Classroom Materials and Fees	\$ 369,500	\$ 369,713	\$ 254,787	\$ (114,926)
Miscellaneous	<u>105,250</u>	<u>114,598</u>	<u>36,704</u>	<u>(77,894)</u>
Total Revenues	<u>474,750</u>	<u>484,311</u>	<u>291,491</u>	<u>(192,820)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	900	900	905	(5)
Fringe Benefits	0	0	139	(139)
Purchased Services	213,471	202,563	149,772	52,791
Supplies and Materials	220,161	239,856	136,910	102,946
Capital Outlay	500	6,300	4,747	1,553
Other	<u>59,013</u>	<u>75,209</u>	<u>39,270</u>	<u>35,939</u>
Total Regular Instruction	<u>494,045</u>	<u>524,828</u>	<u>331,743</u>	<u>193,085</u>
Total Instruction	<u>494,045</u>	<u>524,828</u>	<u>331,743</u>	<u>193,085</u>
Support Services:				
Instructional Staff:				
Purchased Services	3,054	2,554	0	2,554
Supplies and Materials	<u>12,577</u>	<u>14,824</u>	<u>2,667</u>	<u>12,157</u>
Total Instructional Staff	<u>15,631</u>	<u>17,378</u>	<u>2,667</u>	<u>14,711</u>
Administrative:				
Supplies and Materials	228	1,078	1,042	36
Capital Outlay	<u>755</u>	<u>755</u>	<u>755</u>	<u>0</u>
Total Administrative	<u>983</u>	<u>1,833</u>	<u>1,797</u>	<u>36</u>
Business:				
Supplies and Materials	<u>580</u>	<u>580</u>	<u>580</u>	<u>0</u>
Total Business	<u>580</u>	<u>580</u>	<u>580</u>	<u>0</u>
Total Support Services	<u>17,194</u>	<u>19,791</u>	<u>5,044</u>	<u>14,747</u>
Total Expenditures	<u>511,239</u>	<u>544,619</u>	<u>336,787</u>	<u>207,832</u>
Excess of Revenues Over (Under) Expenditures	<u>(36,489)</u>	<u>(60,308)</u>	<u>(45,296)</u>	<u>15,012</u>
Other Financing Sources (Uses)				
Transfers In	<u>250</u>	<u>250</u>	<u>0</u>	<u>(250)</u>
Total Other Financing Sources (Uses)	<u>250</u>	<u>250</u>	<u>0</u>	<u>(250)</u>
Net Change in Fund Balance	<u>(36,239)</u>	<u>(60,058)</u>	<u>(45,296)</u>	<u>14,762</u>
Fund Balance at Beginning of Year	22,689	22,689	22,689	0
Prior Year Encumbrances Appropriated	<u>37,901</u>	<u>37,901</u>	<u>37,901</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,351</u>	<u>\$ 532</u>	<u>\$ 15,294</u>	<u>\$ 14,762</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
OTHER GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 7,194	\$ 7,194	\$ 7,194	\$ 0
Classroom Materials and Fees	44,131	11,564	11,564	0
Miscellaneous	<u>122,680</u>	<u>1,892,453</u>	<u>248,314</u>	<u>(1,644,139)</u>
Total Revenues	<u>174,005</u>	<u>1,911,211</u>	<u>267,072</u>	<u>(1,644,139)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	3,100	424,404	184,700	239,704
Fringe Benefits	566	112,940	45,383	67,557
Purchased Services	6,045	270,901	86,793	184,108
Supplies and Materials	34,588	286,493	23,547	262,946
Capital Outlay	10,602	13,372	0	13,372
Other	<u>10,155</u>	<u>642</u>	<u>561</u>	<u>81</u>
Total Regular Instruction	<u>65,056</u>	<u>1,108,752</u>	<u>340,984</u>	<u>767,768</u>
Special Instruction:				
Purchased Services	491	70	0	70
Supplies and Materials	<u>224</u>	<u>217</u>	<u>30</u>	<u>187</u>
Total Special Instruction	<u>715</u>	<u>287</u>	<u>30</u>	<u>257</u>
Vocational Education:				
Salaries and Wages	0	1,375	1,593	(218)
Fringe Benefits	32	243	246	(3)
Purchased Services	1,634	7,721	6,682	1,039
Supplies and Materials	5,200	8,172	1,846	6,326
Capital Outlay	7,750	4,466	4,466	0
Capital Outlay	<u>0</u>	<u>4,000</u>	<u>4,000</u>	<u>0</u>
Total Vocational Education	<u>14,616</u>	<u>25,977</u>	<u>18,833</u>	<u>7,144</u>
Adult/Continuing:				
Salaries and Wages	3,428	5,582	5,748	(166)
Fringe Benefits	1,081	1,131	888	243
Supplies and Materials	<u>10,805</u>	<u>16,834</u>	<u>2,840</u>	<u>13,994</u>
Total Adult/Continuing	<u>15,314</u>	<u>23,547</u>	<u>9,476</u>	<u>14,071</u>
Total Instruction	<u>95,701</u>	<u>1,158,563</u>	<u>369,323</u>	<u>789,240</u>
Support Services:				
Pupil:				
Salaries and Wages	46,613	10,322	10,488	(166)
Fringe Benefits	14,351	1,724	1,614	110
Purchased Services	30,613	152,974	55,553	97,421
Supplies and Materials	32,301	47,612	37,981	9,631
Capital Outlay	1,062	38,874	36,044	2,830
Other	<u>1,500</u>	<u>613</u>	<u>153</u>	<u>460</u>
Total Pupil	<u>126,440</u>	<u>252,119</u>	<u>141,833</u>	<u>110,286</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
OTHER GRANTS FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance Final Budget Favorable (Unfavorable)
	Original	Final		
Instructional Staff:				
Salaries and Wages	670	0	0	0
Purchased Services	2,154	0	0	0
Supplies and Materials	5,702	0	48	(48)
Other	0	50	50	0
Total Instructional Staff	<u>8,526</u>	<u>50</u>	<u>98</u>	<u>(48)</u>
Administrative:				
Salaries and Wages	0	547,646	274,199	273,447
Fringe Benefits	0	129,755	54,556	75,199
Purchased Services	45,028	45,028	14,261	30,767
Supplies and Materials	4,287	4,017	2,228	1,789
Total Administrative	<u>49,315</u>	<u>726,446</u>	<u>345,244</u>	<u>381,202</u>
Business:				
Purchased Services	28,500	28,500	0	28,500
Supplies and Materials	1,500	1,500	0	1,500
Total Business	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Operation and Maintenance of Plant Services:				
Supplies and Materials	4,699	3,310	1,612	1,698
Other	1,000	1,000	497	503
Total Operation and Maintenance of Plant Services	<u>5,699</u>	<u>4,310</u>	<u>2,109</u>	<u>2,201</u>
Central Services:				
Salaries and Wages	48,000	6,400	0	6,400
Purchased Services	16,500	0	0	0
Total Cental Services	<u>64,500</u>	<u>6,400</u>	<u>0</u>	<u>6,400</u>
Total Support Services	<u>284,480</u>	<u>1,019,325</u>	<u>489,284</u>	<u>530,041</u>
Operation of Non-Instructional Services:				
Food Services:				
Supplies and Materials	24	24	24	0
Total Food Services	<u>24</u>	<u>24</u>	<u>24</u>	<u>0</u>
Community Services:				
Purchased Services	1,440	2,114	1,000	1,114
Supplies and Materials	1,432	3,041	1,639	1,402
Other	41,798	40,798	1,000	39,798
Total Community Services	<u>44,670</u>	<u>45,953</u>	<u>3,639</u>	<u>42,314</u>
Total Operation of Non-Instructional Services	<u>44,694</u>	<u>45,977</u>	<u>3,663</u>	<u>42,314</u>
Extracurricular Activities:				
Supplies and Materials	750	0	0	0
Other	2,000	3,600	3,600	0
Total Extracurricular Activities	<u>2,750</u>	<u>3,600</u>	<u>3,600</u>	<u>0</u>
Total Expenditures	<u>427,625</u>	<u>2,227,465</u>	<u>865,870</u>	<u>1,361,595</u>
Excess of Revenues Over (Under) Expenditures	<u>(253,620)</u>	<u>(316,254)</u>	<u>(598,798)</u>	<u>(282,544)</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
OTHER GRANTS FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>				
Transfers In	995	1,705	1,705	0
Transfers Out	(989)	(14,022)	(12,877)	1,145
Advances In	0	604,980	604,980	0
Advances Out	0	(604,980)	0	604,980
Total Other Financing Sources (Uses)	<u>6</u>	<u>(12,317)</u>	<u>593,808</u>	<u>606,125</u>
Net Change in Fund Balance	(253,614)	(328,571)	(4,990)	323,581
Fund Balance Beginning of Year	297,874	297,874	297,874	0
Prior Year Encumbrances Appropriated	<u>40,813</u>	<u>40,813</u>	<u>40,813</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 85,073</u>	<u>\$ 10,116</u>	<u>\$ 333,697</u>	<u>\$ 323,581</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BASIS) AND ACTUAL -
 VENTURE CAPITAL-BOULEVARD FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Final Budget Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Total Revenues</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Total Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	58	58	58	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 0</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
DISTRICT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Classroom Materials and Fees	\$ 281,880	\$ 295,136	\$ 65,983	\$ (229,153)
Miscellaneous	<u>20,035</u>	<u>20,535</u>	<u>2,003</u>	<u>(18,532)</u>
Total Revenues	<u>301,915</u>	<u>315,671</u>	<u>67,986</u>	<u>(247,685)</u>
<u>Expenditures</u>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,005	1,005	0	1,005
Supplies and Materials	1,000	1,000	595	405
Other	<u>455</u>	<u>890</u>	<u>440</u>	<u>450</u>
Total Community Services	<u>2,460</u>	<u>2,895</u>	<u>1,035</u>	<u>1,860</u>
Total Operation of Non-Instructional Services	<u>2,460</u>	<u>2,895</u>	<u>1,035</u>	<u>1,860</u>
Extracurricular Activities:				
Salaries and Wages	30,900	30,900	26,064	4,836
Fringe Benefits	3,380	3,380	3,869	(489)
Purchased Services	188,978	196,078	121,665	74,413
Supplies and Materials	229,542	184,324	100,158	84,166
Capital Outlay	38,800	41,800	7,009	34,791
Other	<u>79,899</u>	<u>84,649</u>	<u>36,593</u>	<u>48,056</u>
Total Extracurricular Activities	<u>571,499</u>	<u>541,131</u>	<u>295,358</u>	<u>245,773</u>
Total Expenditures	<u>573,959</u>	<u>544,026</u>	<u>296,393</u>	<u>247,633</u>
Excess of Revenues Over (Under) Expenditures	<u>(272,044)</u>	<u>(228,355)</u>	<u>(228,407)</u>	<u>(52)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>191,085</u>	<u>216,028</u>	<u>216,028</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>191,085</u>	<u>216,028</u>	<u>216,028</u>	<u>0</u>
Net Change in Fund Balance	<u>(80,959)</u>	<u>(12,327)</u>	<u>(12,379)</u>	<u>(52)</u>
Fund Balance Beginning of Year	485	485	485	0
Prior Year Encumbrances Appropriated	<u>11,894</u>	<u>11,894</u>	<u>11,894</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$ (68,580)</u>	<u>\$ 52</u>	<u>\$ 0</u>	<u>\$ (52)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 1,803,618	\$ 1,585,649	\$ 1,684,986	\$ 99,337
Earnings on Investments	<u>30,868</u>	<u>21,416</u>	<u>21,416</u>	<u>0</u>
Total Revenues	<u>1,834,486</u>	<u>1,607,065</u>	<u>1,706,402</u>	<u>99,337</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Other:				
Salaries and Wages	11,500	0	0	0
Supplies and Materials	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other	<u>15,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>15,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	408,564	167,503	176,196	(8,693)
Fringe Benefits	87,916	41,330	45,429	(4,099)
Purchased Services	834,354	887,086	883,543	3,543
Supplies and Materials	765,329	470,543	399,261	71,282
Capital Outlay	<u>4,068</u>	<u>70,323</u>	<u>52,017</u>	<u>18,306</u>
Total Community Services	<u>2,100,231</u>	<u>1,636,785</u>	<u>1,556,446</u>	<u>80,339</u>
Total Operation of Non-Instructional Services	<u>2,100,231</u>	<u>1,636,785</u>	<u>1,556,446</u>	<u>80,339</u>
Total Expenditures	<u>2,115,731</u>	<u>1,636,785</u>	<u>1,556,446</u>	<u>80,339</u>
Excess of Revenues Over (Under) Expenditures	<u>(281,245)</u>	<u>(29,720)</u>	<u>149,956</u>	<u>179,676</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>(74,980)</u>	<u>(62,978)</u>	<u>(63,426)</u>	<u>(448)</u>
Total Other Financing Sources (Uses)	<u>(74,980)</u>	<u>(62,978)</u>	<u>(63,426)</u>	<u>(448)</u>
Net Change in Fund Balance	(356,225)	(92,698)	86,530	179,228
Fund Balance Beginning of Year	1,860	1,860	1,860	0
Prior Year Encumbrances Appropriated	<u>91,286</u>	<u>91,286</u>	<u>91,286</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$ (263,079)</u>	<u>\$ 448</u>	<u>\$ 179,676</u>	<u>\$ 179,228</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BASIS) AND ACTUAL -
 CAREER DEVELOPMENT PROGRAM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance Final Budget Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 40,000	\$ 0	\$ 0	\$ 0
Total Revenues	40,000	0	0	0
<u>Total Expenditures</u>	0	0	0	0
Net Change in Fund Balance	40,000	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance End of Year	\$ 40,000	\$ 0	\$ 0	\$ 0

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
MOTORCYCLE SAFETY EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 119,091	\$ 119,091	\$ 69,037	\$ (50,054)
Miscellaneous	<u>8,865</u>	<u>8,865</u>	<u>14,011</u>	<u>5,146</u>
Total Revenues	<u>127,956</u>	<u>127,956</u>	<u>83,048</u>	<u>(44,908)</u>
<u>Expenditures</u>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	84,748	55,194	47,044	8,150
Fringe Benefits	17,204	16,622	10,160	6,462
Purchased Services	5,161	4,098	2,872	1,226
Supplies and Materials	24,042	13,799	1,242	12,557
Other	<u>325</u>	<u>100</u>	<u>150</u>	<u>(50)</u>
Total Community Services	<u>131,480</u>	<u>89,813</u>	<u>61,468</u>	<u>28,345</u>
Total Operation of Non-Instructional Services	<u>131,480</u>	<u>89,813</u>	<u>61,468</u>	<u>28,345</u>
Total Expenditures	<u>131,480</u>	<u>89,813</u>	<u>61,468</u>	<u>28,345</u>
Excess of Revenue Over (Under) Expenditures	<u>(3,524)</u>	<u>38,143</u>	<u>21,580</u>	<u>(16,563)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	2,044	408	408	0
Transfers Out	(12,685)	(13,093)	(408)	12,685
Advances Out	<u>(29)</u>	<u>(18,599)</u>	<u>(18,599)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(10,670)</u>	<u>(31,284)</u>	<u>(18,599)</u>	<u>12,685</u>
Net Change in Fund Balance	(14,194)	6,859	2,981	(3,878)
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>209</u>	<u>209</u>	<u>209</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (13,985)</u>	<u>\$ 7,068</u>	<u>\$ 3,190</u>	<u>\$ (3,878)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
EDUCATIONAL MANAGEMENT INFORMATION SYSTEM FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 0	\$ 10,488	\$ 25,787	\$ 15,299
Total Revenues	<u>0</u>	<u>10,488</u>	<u>25,787</u>	<u>15,299</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Administrative:				
Supplies and Materials	152	152	0	152
Total Administrative	<u>152</u>	<u>152</u>	<u>0</u>	<u>152</u>
Central Services:				
Salaries and Wages	18,500	18,500	0	18,500
Purchased Services	82,588	93,076	683	92,393
Supplies and Materials	3,162	3,162	0	3,162
Capital Outlay	1,322	1,322	0	1,322
Other	250	250	25	225
Total Central Services	<u>105,822</u>	<u>116,310</u>	<u>708</u>	<u>115,602</u>
Total Support Services	<u>105,974</u>	<u>116,462</u>	<u>708</u>	<u>115,754</u>
Total Expenditures	<u>105,974</u>	<u>116,462</u>	<u>708</u>	<u>115,754</u>
Net Change in Fund Balance	(105,974)	(105,974)	25,079	131,053
Fund Balance Beginning of Year	124,071	124,071	124,071	0
Prior Year Encumbrances Appropriated	<u>121</u>	<u>121</u>	<u>121</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 18,218</u>	<u>\$ 18,218</u>	<u>\$ 149,271</u>	<u>\$ 131,053</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
PUBLIC SCHOOL PRESCHOOL GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 143,884	\$ 143,884	\$ 137,511	\$ (6,373)
Total Revenues	<u>143,884</u>	<u>143,884</u>	<u>137,511</u>	<u>(6,373)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	78,758	38,172	31,598	6,574
Fringe Benefits	29,745	13,896	11,406	2,490
Supplies and Materials	1,564	1,564	1,275	289
Capital Outlay	38	38	0	38
Total Regular Instruction	<u>110,105</u>	<u>53,670</u>	<u>44,279</u>	<u>9,391</u>
Total Instruction	<u>110,105</u>	<u>53,670</u>	<u>44,279</u>	<u>9,391</u>
Support Services:				
Pupil:				
Purchased Services	50	50	0	50
Total Pupil	<u>50</u>	<u>50</u>	<u>0</u>	<u>50</u>
Instructional Staff:				
Salaries and Wages	106,044	51,628	55,123	(3,495)
Fringe Benefits	27,537	12,460	15,379	(2,919)
Purchased Services	3,450	1,350	1,336	14
Supplies and Materials	444	444	72	372
Total Instructional Staff	<u>137,475</u>	<u>65,882</u>	<u>71,910</u>	<u>(6,028)</u>
Administrative:				
Salaries and Wages	69,429	16,660	20,604	(3,944)
Fringe Benefits	28,541	4,663	5,928	(1,265)
Total Administrative	<u>97,970</u>	<u>21,323</u>	<u>26,532</u>	<u>(5,209)</u>
Fiscal Services:				
Salaries and Wages	101	101	0	101
Fringe Benefits	290	290	0	290
Total Fiscal Services	<u>391</u>	<u>391</u>	<u>0</u>	<u>391</u>
Pupil Transportation:				
Purchased Services	2,725	2,725	1,575	1,150
Total Pupil Transportation	<u>2,725</u>	<u>2,725</u>	<u>1,575</u>	<u>1,150</u>
Total Support Services	<u>238,611</u>	<u>90,371</u>	<u>100,017</u>	<u>(9,646)</u>
Total Expenditures	<u>348,716</u>	<u>144,041</u>	<u>144,296</u>	<u>(255)</u>
Excess of Revenues Over (Under) Expenditures	<u>(204,832)</u>	<u>(157)</u>	<u>(6,785)</u>	<u>(6,628)</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
PUBLIC SCHOOL PRESCHOOL GRANT FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Other Financing Sources (Uses)</u>				
Advances In	18,116	6,643	6,643	0
Advances Out	<u>0</u>	<u>(6,643)</u>	<u>0</u>	<u>6,643</u>
Total Other Financing Sources (Uses)	<u>18,116</u>	<u>0</u>	<u>6,643</u>	<u>6,643</u>
Net Change in Fund Balance	(186,716)	(157)	(142)	15
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>142</u>	<u>142</u>	<u>142</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$ (186,574)</u>	<u>\$ (15)</u>	<u>\$ 0</u>	<u>\$ 15</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ENTRY YEAR PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 0	\$ 17,600	\$ 17,600	\$ 0
Total Revenues	<u>0</u>	<u>17,600</u>	<u>17,600</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>17,600</u>	<u>17,600</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers Out	<u>0</u>	<u>(17,600)</u>	<u>(17,600)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(17,600)</u>	<u>(17,600)</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ONE NET COMMUNIQUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 29,778	\$ 42,000	\$ 42,000	\$ 0
Total Revenues	<u>29,778</u>	<u>42,000</u>	<u>42,000</u>	<u>0</u>
<u>Total Expenditures</u>				
Current:				
Building Improvement Services:				
Purchased Services	<u>0</u>	<u>42,000</u>	<u>34,260</u>	<u>7,740</u>
Total Building Improvement Services	<u>0</u>	<u>42,000</u>	<u>34,260</u>	<u>7,740</u>
Total Expenditures	<u>0</u>	<u>42,000</u>	<u>34,260</u>	<u>7,740</u>
Net Change in Fund Balance	29,778	0	7,740	7,740
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 29,778</u>	<u>\$ 0</u>	<u>\$ 7,740</u>	<u>\$ 7,740</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SCHOOL NET PROFESSIONAL DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 5,100	\$ 13,500	\$ 6,750	\$ (6,750)
Total Revenues	<u>5,100</u>	<u>13,500</u>	<u>6,750</u>	<u>(6,750)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	0	500	468	32
Fringe Benefits	0	85	0	85
Total Regular Instruction	<u>0</u>	<u>585</u>	<u>468</u>	<u>117</u>
Total Instruction	<u>0</u>	<u>585</u>	<u>468</u>	<u>117</u>
Support Services:				
Pupil:				
Salaries and Wages	1,147	0	0	0
Fringe Benefits	259	0	0	0
Purchased Services	0	12,615	2,356	10,259
Supplies and Materials	0	300	182	118
Other	0	1,406	1,406	0
Total Pupil	<u>1,406</u>	<u>14,321</u>	<u>3,944</u>	<u>10,377</u>
Instructional Staff:				
Salaries and Wages	1,818	195	0	195
Fringe Benefits	341	341	0	341
Purchased Services	3,450	0	0	0
Total Instructional Staff	<u>5,609</u>	<u>536</u>	<u>0</u>	<u>536</u>
Total Support Services	<u>7,015</u>	<u>14,857</u>	<u>3,944</u>	<u>10,913</u>
Total Expenditures	<u>7,015</u>	<u>15,442</u>	<u>4,412</u>	<u>11,030</u>
Net Change in Fund Balance	(1,915)	(1,942)	2,338	4,280
Fund Balance Beginning of Year	1,942	1,942	1,942	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 27</u>	<u>\$ 0</u>	<u>\$ 4,280</u>	<u>\$ 4,280</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
TEXTBOOK SUBSIDY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Total Revenues</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Instruction:				
Supplies and Materials	<u>1,602</u>	<u>1,602</u>	<u>0</u>	<u>1,602</u>
Total Regular Instruction	<u>1,602</u>	<u>1,602</u>	<u>0</u>	<u>1,602</u>
Total Instruction	<u>1,602</u>	<u>1,602</u>	<u>0</u>	<u>1,602</u>
Total Expenditures	<u>1,602</u>	<u>1,602</u>	<u>0</u>	<u>1,602</u>
Net Change in Fund Balance	(1,602)	(1,602)	0	1,602
Fund Balance Beginning of Year	1,336	1,336	1,336	0
Prior Year Encumbrances Appropriated	<u>266</u>	<u>266</u>	<u>266</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,602</u></u>	<u><u>\$ 1,602</u></u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
OHIO READS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 87,460	\$ 57,500	\$ 47,000	\$ (10,500)
Total Revenues	<u>87,460</u>	<u>57,500</u>	<u>47,000</u>	<u>(10,500)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	5,313	0	0	0
Fringe Benefits	896	0	0	0
Supplies and Materials	9,025	27,458	18,911	8,547
Total Regular Instruction	<u>15,234</u>	<u>27,458</u>	<u>18,911</u>	<u>8,547</u>
Total Instruction	<u>15,234</u>	<u>27,458</u>	<u>18,911</u>	<u>8,547</u>
Support Services:				
Pupil:				
Purchased Services	2,500	6,042	3,417	2,625
Supplies and Materials	2,143	11,698	11,685	13
Total Pupil	<u>4,643</u>	<u>17,740</u>	<u>15,102</u>	<u>2,638</u>
Instructional Staff:				
Supplies and Materials	7,054	6,682	6,682	0
Total Instructional Staff	<u>7,054</u>	<u>6,682</u>	<u>6,682</u>	<u>0</u>
Administrative:				
Salaries and Wages	2,847	14,807	13,668	1,139
Fringe Benefits	1,374	3,415	2,099	1,316
Supplies and Materials	348	2,348	1,967	381
Total Administrative	<u>4,569</u>	<u>20,570</u>	<u>17,734</u>	<u>2,836</u>
Pupil Transportation:				
Other	1,534	18,085	18,085	0
Total Pupil Transportation	<u>1,534</u>	<u>18,085</u>	<u>18,085</u>	<u>0</u>
Total Support Services	<u>17,800</u>	<u>63,077</u>	<u>57,603</u>	<u>5,474</u>
Total Expenditures	<u>33,034</u>	<u>90,535</u>	<u>76,514</u>	<u>14,021</u>
Net Change in Fund Balance	54,426	(33,035)	(29,514)	3,521
Fund Balance Beginning of Year	11,776	11,776	11,776	0
Prior Year Encumbrances Appropriated	<u>21,259</u>	<u>21,259</u>	<u>21,259</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 87,461</u>	<u>\$ 0</u>	<u>\$ 3,521</u>	<u>\$ 3,521</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BASIS) AND ACTUAL -
 SUMMER SCHOOL SUBSIDY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 0	\$ 124,608	\$ 124,608	\$ 0
Total Revenues	<u>0</u>	<u>124,608</u>	<u>124,608</u>	<u>0</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	0	54,080	54,080	0
Fringe Benefits	0	15,142	15,142	0
Supplies and Materials	0	51,962	50,292	1,670
Total Regular Instruction	<u>0</u>	<u>121,184</u>	<u>119,514</u>	<u>1,670</u>
Total Instruction	<u>0</u>	<u>121,184</u>	<u>119,514</u>	<u>1,670</u>
Support Services:				
Pupil:				
Salaries and Wages	1,064	1,064	126	938
Fringe Benefits	229	229	19	210
Supplies and Materials	4,209	4,209	0	4,209
Capital Outlay	<u>5,115</u>	<u>5,115</u>	<u>0</u>	<u>5,115</u>
Total Pupil	<u>10,617</u>	<u>10,617</u>	<u>145</u>	<u>10,472</u>
Pupil Transportation:				
Purchased Services	<u>0</u>	<u>3,424</u>	<u>3,240</u>	<u>184</u>
Total Pupil Transportation	<u>0</u>	<u>3,424</u>	<u>3,240</u>	<u>184</u>
Total Support Services	<u>10,617</u>	<u>14,041</u>	<u>3,385</u>	<u>10,656</u>
Total Expenditures	<u>10,617</u>	<u>135,225</u>	<u>122,899</u>	<u>12,326</u>
Net Change in Fund Balance	(10,617)	(10,617)	1,709	12,326
Fund Balance Beginning of Year	10,617	10,617	10,617	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,326</u>	<u>\$ 12,326</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
CAREER TECHNICAL/ADULT EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 10,305	\$ 30,235	\$ 30,205	\$ (30)
Total Revenues	<u>10,305</u>	<u>30,235</u>	<u>30,205</u>	<u>(30)</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Pupil:				
Capital Outlay	0	3,727	3,727	0
Total Pupil	<u>0</u>	<u>3,727</u>	<u>3,727</u>	<u>0</u>
Administrative:				
Salaries and Wages	31,028	15,517	15,517	0
Fringe Benefits	12,551	5,596	5,596	0
Total Administrative	<u>43,579</u>	<u>21,113</u>	<u>21,113</u>	<u>0</u>
Total Support Services	<u>43,579</u>	<u>24,840</u>	<u>24,840</u>	<u>0</u>
Total Expenditures	<u>43,579</u>	<u>24,840</u>	<u>24,840</u>	<u>0</u>
Excess of Revenue Over (Under) Expenditures	<u>(33,274)</u>	<u>5,395</u>	<u>5,365</u>	<u>(30)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	0	(30)	0	30
Advances Out	<u>(5,365)</u>	<u>(5,365)</u>	<u>(5,365)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(5,365)</u>	<u>(5,395)</u>	<u>(5,365)</u>	<u>30</u>
Net Change in Fund Balance	(38,639)	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$ (38,639)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ALTERNATIVE SCHOOLS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 220,000	\$ 206,984	\$ 206,984	\$ 0
Total Revenues	<u>220,000</u>	<u>206,984</u>	<u>206,984</u>	<u>0</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Instruction:				
Purchased Services	1,500	1,500	1,500	0
Total Regular Instruction	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total Instruction	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Support Services:				
Pupil:				
Salaries and Wages	252,032	121,062	122,755	(1,693)
Fringe Benefits	90,842	43,699	34,016	9,683
Purchased Services	47,728	42,892	39,750	3,142
Supplies and Materials	4,225	4,216	3,601	615
Capital Outlay	<u>3,761</u>	<u>3,761</u>	<u>3,489</u>	<u>272</u>
Total Pupil	<u>398,588</u>	<u>215,630</u>	<u>203,611</u>	<u>12,019</u>
Pupil Transportation:				
Purchased Services	<u>1,343</u>	<u>1,343</u>	<u>977</u>	<u>366</u>
Total Pupil Transportation	<u>1,343</u>	<u>1,343</u>	<u>977</u>	<u>366</u>
Total Support Services	<u>399,931</u>	<u>216,973</u>	<u>204,588</u>	<u>12,385</u>
Total Expenditures	<u>401,431</u>	<u>218,473</u>	<u>206,088</u>	<u>12,385</u>
Excess of Revenues Over (Under) Expenditures	<u>(181,431)</u>	<u>(11,489)</u>	<u>896</u>	<u>12,385</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	0	(8)	0	8
Advances Out	<u>(282)</u>	<u>(282)</u>	<u>(282)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(282)</u>	<u>(290)</u>	<u>(282)</u>	<u>8</u>
Net Change in Fund Balance	(181,713)	(11,779)	614	12,393
Fund Balance Beginning of Year	72	72	72	0
Prior Year Encumbrances Appropriated	<u>11,707</u>	<u>11,707</u>	<u>11,707</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$ (169,934)</u>	<u>\$ 0</u>	<u>\$ 12,393</u>	<u>\$ 12,393</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BASIS) AND ACTUAL -
 EXTENDED LEARNING OPPORTUNITY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance Final Budget Favorable (Unfavorable)
	Original	Final		
<u>Total Revenues</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	149	149	0	149
Fringe Benefits	197	197	0	197
Purchased Services	4,000	4,000	0	4,000
Supplies and Materials	12	12	0	12
Total Instructional Staff	4,358	4,358	0	4,358
Total Support Services	4,358	4,358	0	4,358
Total Expenditures	4,358	4,358	0	4,358
Net Change in Fund Balance	(4,358)	(4,358)	0	4,358
Fund Balance Beginning of Year	4,358	4,358	4,358	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance End of Year	<u>0</u>	<u>0</u>	<u>4,358</u>	<u>4,358</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
MISCELLANEOUS STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 37,730	\$ 29,394	\$ 4,394	\$ (25,000)
Miscellaneous	<u>5,270</u>	<u>5,270</u>	<u>5,000</u>	<u>(270)</u>
Total Revenues	<u>43,000</u>	<u>34,664</u>	<u>9,394</u>	<u>(25,270)</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Pupil:				
Purchased Services	5,433	5,433	2,508	2,925
Supplies and Materials	1,882	916	0	916
Capital Outlay	518	518	0	518
Other	<u>34</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Pupil	<u>7,867</u>	<u>6,867</u>	<u>2,508</u>	<u>4,359</u>
Instructional Staff:				
Salaries and Wages	950	950	702	248
Fringe Benefits	166	166	0	166
Purchased Services	4,307	7,229	4,350	2,879
Supplies and Materials	8,433	8,927	5,491	3,436
Capital Outlay	2,493	2,493	0	2,493
Other	<u>379</u>	<u>2,357</u>	<u>1,978</u>	<u>379</u>
Total Instructional Staff	<u>16,728</u>	<u>22,122</u>	<u>12,521</u>	<u>9,601</u>
Total Support Services	<u>24,595</u>	<u>28,989</u>	<u>15,029</u>	<u>13,960</u>
Total Expenditures	<u>24,595</u>	<u>28,989</u>	<u>15,029</u>	<u>13,960</u>
Net Change in Fund Balance	18,405	5,675	(5,635)	(11,310)
Fund Balance Beginning of Year	11,340	11,340	11,340	0
Prior Year Encumbrances Appropriated	<u>2,985</u>	<u>2,985</u>	<u>2,985</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 32,730</u>	<u>\$ 20,000</u>	<u>\$ 8,690</u>	<u>\$ (11,310)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ADULT BASIC EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 349,962	\$ 349,962	\$ 349,962	\$ 0
Total Revenues	<u>349,962</u>	<u>349,962</u>	<u>349,962</u>	<u>0</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	572,345	204,881	194,272	10,609
Fringe Benefits	100,625	39,813	38,381	1,432
Purchased Services	4,001	2,700	1,736	964
Supplies and Materials	12,295	11,856	10,005	1,851
Capital Outlay	5,529	4,092	0	4,092
Total Adult/Continuing	<u>694,795</u>	<u>263,342</u>	<u>244,394</u>	<u>18,948</u>
Total Instruction	<u>694,795</u>	<u>263,342</u>	<u>244,394</u>	<u>18,948</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	293,041	95,529	47,858	47,671
Fringe Benefits	22,135	14,325	8,317	6,008
Purchased Services	20,911	14,124	8,553	5,571
Supplies and Materials	3,410	2,240	1,442	798
Other	2,210	2,275	771	1,504
Total Instructional Staff	<u>341,707</u>	<u>128,493</u>	<u>66,941</u>	<u>61,552</u>
Total Support Services	<u>341,707</u>	<u>128,493</u>	<u>66,941</u>	<u>61,552</u>
Total Expenditures	<u>1,036,502</u>	<u>391,835</u>	<u>311,335</u>	<u>80,500</u>
Excess of Revenues Over (Under) Expenditures	<u>(686,540)</u>	<u>(41,873)</u>	<u>38,627</u>	<u>80,500</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	30,038	30,701	30,701	0
Transfers Out	0	0	(30,701)	(30,701)
Advances Out	<u>(38,708)</u>	<u>(38,708)</u>	<u>(38,708)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(8,670)</u>	<u>(8,007)</u>	<u>(38,708)</u>	<u>(30,701)</u>
Net Change in Fund Balance	<u>(695,210)</u>	<u>(49,880)</u>	<u>(81)</u>	<u>49,799</u>
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>3,145</u>	<u>3,145</u>	<u>3,145</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$ (692,065)</u>	<u>\$ (46,735)</u>	<u>\$ 3,064</u>	<u>\$ 49,799</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
IDEA (FLO THRU) FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 930,000	\$ 1,252,214	\$ 973,311	\$ (278,903)
Total Revenues	<u>930,000</u>	<u>1,252,214</u>	<u>973,311</u>	<u>(278,903)</u>
Expenditures				
Current:				
Instruction:				
Special Instruction:				
Salaries and Wages	77,531	49,366	42,693	6,673
Fringe Benefits	30,049	18,684	10,444	8,240
Purchased Services	65,852	73,000	61,598	11,402
Supplies and Materials	126,854	131,166	91,874	39,292
Capital Outlay	8,230	7,868	3,868	4,000
Total Special Instruction	<u>308,516</u>	<u>280,084</u>	<u>210,477</u>	<u>69,607</u>
Total Instruction	<u>308,516</u>	<u>280,084</u>	<u>210,477</u>	<u>69,607</u>
Support Services:				
Pupil:				
Salaries and Wages	118,930	66,789	70,693	(3,904)
Fringe Benefits	57,363	32,433	23,695	8,738
Purchased Services	2,714	1,140	853	287
Supplies and Materials	7,800	3,600	2,116	1,484
Total Pupil	<u>186,807</u>	<u>103,962</u>	<u>97,357</u>	<u>6,605</u>
Instructional Staff:				
Salaries and Wages	285,495	317,453	255,287	62,166
Fringe Benefits	165,422	212,642	153,592	59,050
Purchased Services	26,874	76,405	69,921	6,484
Supplies and Materials	0	1,200	0	1,200
Total Instructional Staff	<u>477,791</u>	<u>607,700</u>	<u>478,800</u>	<u>128,900</u>
Administrative:				
Salaries and Wages	81,608	78,966	71,960	7,006
Fringe Benefits	49,390	40,082	45,555	(5,473)
Purchased Services	320	7,500	3,384	4,116
Capital Outlay	0	1,800	1,121	679
Total Administrative	<u>131,318</u>	<u>128,348</u>	<u>122,020</u>	<u>6,328</u>
Pupil Transportation:				
Purchased Services	1,170	6,133	3,550	2,583
Total Pupil Transportation	<u>1,170</u>	<u>6,133</u>	<u>3,550</u>	<u>2,583</u>
Total Support Services	<u>797,086</u>	<u>846,143</u>	<u>701,727</u>	<u>144,416</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
IDEA (FLO THRU) FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	14,340	7,170	13,657	(6,487)
Fringe Benefits	4,899	2,671	4,167	(1,496)
Purchased Services	67,273	64,544	64,544	0
Supplies and materials	600	600	0	600
Total Community Services	<u>87,112</u>	<u>74,985</u>	<u>82,368</u>	<u>(7,383)</u>
Total Operation of Non-Instructional Services	<u>87,112</u>	<u>74,985</u>	<u>82,368</u>	<u>(7,383)</u>
Total Expenditures	<u>1,192,714</u>	<u>1,201,212</u>	<u>994,572</u>	<u>206,640</u>
Excess of Revenues Over (Under) Expenditures	<u>(262,714)</u>	<u>51,002</u>	<u>(21,261)</u>	<u>(72,263)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	39,535	39,535	0
Transfers Out	0	(39,535)	(39,535)	0
Advances In	0	72,263	72,263	0
Advances Out	<u>(117,175)</u>	<u>(117,175)</u>	<u>(117,175)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(117,175)</u>	<u>(44,912)</u>	<u>(44,912)</u>	<u>0</u>
Net Change in Fund Balance	<u>(379,889)</u>	<u>6,090</u>	<u>(66,173)</u>	<u>(72,263)</u>
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>66,173</u>	<u>66,173</u>	<u>66,173</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$ (313,716)</u>	<u>\$ 72,263</u>	<u>\$ 0</u>	<u>\$ (72,263)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
VOCATIONAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 290,000	\$ 287,840	\$ 272,364	\$ (15,476)
Total Revenues	<u>290,000</u>	<u>287,840</u>	<u>272,364</u>	<u>(15,476)</u>
Expenditures				
Current:				
Instruction:				
Vocational Education:				
Salaries and Wages	138,002	70,944	71,682	(738)
Fringe Benefits	46,276	18,285	19,581	(1,296)
Purchased Services	42,167	35,782	32,115	3,667
Supplies and Materials	7,758	9,619	9,278	341
Capital Outlay	24,595	17,769	17,192	577
Total Vocational Education	<u>258,798</u>	<u>152,399</u>	<u>149,848</u>	<u>2,551</u>
Total Instruction	<u>258,798</u>	<u>152,399</u>	<u>149,848</u>	<u>2,551</u>
Support Services:				
Pupil:				
Salaries and Wages	73,329	41,996	41,738	258
Fringe Benefits	32,647	17,440	16,442	998
Purchased Services	1,350	1,350	1,350	0
Supplies and Materials	7,594	6,055	6,043	12
Total Pupil	<u>114,920</u>	<u>66,841</u>	<u>65,573</u>	<u>1,268</u>
Instructional Staff:				
Salaries and Wages	2,598	0	0	0
Fringe Benefits	587	0	0	0
Purchased Services	166	0	0	0
Supplies and Materials	16	0	0	0
Total Instructional Staff	<u>3,367</u>	<u>0</u>	<u>0</u>	<u>0</u>
Administrative:				
Salaries and Wages	12,631	12,631	12,631	0
Purchased Services	(50)	0	0	0
Total Administrative	<u>12,581</u>	<u>12,631</u>	<u>12,631</u>	<u>0</u>
Pupil Transportation:				
Purchased Services	2,591	1,503	685	818
Total Pupil Transportation	<u>2,591</u>	<u>1,503</u>	<u>685</u>	<u>818</u>
Central Services:				
Purchased Services	27,622	23,572	21,517	2,055
Supplies and Materials	3,177	2,302	2,300	2
Other	2,503	3,500	3,500	0
Total Central Services	<u>33,302</u>	<u>29,374</u>	<u>27,317</u>	<u>2,057</u>
Total Support Services	<u>166,761</u>	<u>110,349</u>	<u>106,206</u>	<u>4,143</u>
Total Expenditures	<u>425,559</u>	<u>262,748</u>	<u>256,054</u>	<u>6,694</u>
Excess of Revenues Over (Under) Expenditures	<u>(135,559)</u>	<u>25,092</u>	<u>16,310</u>	<u>(8,782)</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BASIS) AND ACTUAL -
 VOCATIONAL EDUCATION FUND (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>				
Advances In	0	7,956	7,956	0
Advances Out	<u>(37,194)</u>	<u>(39,605)</u>	<u>(39,605)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(37,194)</u>	<u>(31,649)</u>	<u>(31,649)</u>	<u>0</u>
Net Change in Fund Balance	(172,753)	(6,557)	(15,339)	(8,782)
Fund Balance Beginning of Year	5,299	5,299	5,299	0
Prior Year Encumbrances Appropriated	<u>10,040</u>	<u>10,040</u>	<u>10,040</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$ (157,414)</u>	<u>\$ 8,782</u>	<u>\$ 0</u>	<u>\$ (8,782)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 466	\$ 27,714	\$ 20,566	\$ (7,148)
Total Revenues	<u>466</u>	<u>27,714</u>	<u>20,566</u>	<u>(7,148)</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	13,895	13,895	7,243	6,652
Fringe Benefits	2,337	2,337	1,193	1,144
Purchased Services	4,000	3,750	3,500	250
Supplies and Materials	7,041	9,029	7,924	1,105
Total Pupil	<u>27,273</u>	<u>29,011</u>	<u>19,860</u>	<u>9,151</u>
Pupil Transportation:				
Purchased Services	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Pupil Transportation	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Support Services	<u>27,273</u>	<u>30,011</u>	<u>20,860</u>	<u>9,151</u>
Total Expenditures	<u>27,273</u>	<u>30,011</u>	<u>20,860</u>	<u>9,151</u>
Net Change in Fund Balance	(26,807)	(2,297)	(294)	2,003
Fund Balance Beginning of Year	219	219	219	0
Prior Year Encumbrances Appropriated	<u>2,078</u>	<u>2,078</u>	<u>2,078</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$ (24,510)</u>	<u>\$ 0</u>	<u>\$ 2,003</u>	<u>\$ 2,003</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
CHINESE REFUGEES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 0	\$ 1,500	\$ 1,500	\$ 0
Total Revenues	<u>0</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	1,390	1,390	1,390	0
Fringe Benefits	203	203	203	0
Supplies and Materials	444	1,944	407	1,537
Total Pupil	<u>2,037</u>	<u>3,537</u>	<u>2,000</u>	<u>1,537</u>
Total Support Services	<u>2,037</u>	<u>3,537</u>	<u>2,000</u>	<u>1,537</u>
Total Expenditures	<u>2,037</u>	<u>3,537</u>	<u>2,000</u>	<u>1,537</u>
Net Change in Fund Balance	(2,037)	(2,037)	(500)	1,537
Fund Balance Beginning of Year	2,037	2,037	2,037	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,537</u>	<u>\$ 1,537</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 1,115,000	\$ 1,535,156	\$ 1,169,257	\$ (365,899)
Total Revenues	<u>1,115,000</u>	<u>1,535,156</u>	<u>1,169,257</u>	<u>(365,899)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Purchased Services	66,059	66,059	41,627	24,432
Supplies and Materials	14,700	14,700	10,320	4,380
Total Regular Instruction	<u>80,759</u>	<u>80,759</u>	<u>51,947</u>	<u>28,812</u>
Special Instruction:				
Salaries and Wages	1,164,088	598,619	544,994	53,625
Fringe Benefits	303,974	176,557	152,963	23,594
Purchased Services	142	142	0	142
Supplies and Materials	138,912	118,100	106,863	11,237
Capital Outlay	74,450	36,950	26,026	10,924
Total Special Instruction	<u>1,681,566</u>	<u>930,368</u>	<u>830,846</u>	<u>99,522</u>
Total Instruction	<u>1,762,325</u>	<u>1,011,127</u>	<u>882,793</u>	<u>128,334</u>
Support Services:				
Instructional Staff:				
Purchased Services	42,240	42,240	42,240	0
Supplies and Materials	3,300	3,300	3,294	6
Total Instructional Staff	<u>45,540</u>	<u>45,540</u>	<u>45,534</u>	<u>6</u>
Staff:				
Salaries and Wages	76,364	20,342	15,796	4,546
Fringe Benefits	13,690	15,849	7,246	8,603
Purchased Services	89,789	82,465	49,407	33,058
Supplies and Materials	96,606	105,481	91,417	14,064
Capital Outlay	21,800	21,800	16,976	4,824
Other	500	500	0	500
Total Staff	<u>298,749</u>	<u>246,437</u>	<u>180,842</u>	<u>65,595</u>
Administrative:				
Salaries and Wages	60,000	61,000	61,000	0
Fringe Benefits	10,000	14,000	14,000	0
Supplies and Materials	2,184	0	0	0
Other	12,000	6,000	6,000	0
Total Administrative	<u>84,184</u>	<u>81,000</u>	<u>81,000</u>	<u>0</u>
Pupil Transportation:				
Purchased Services	14,580	10,580	5,100	5,480
Total Pupil Transportation	<u>14,580</u>	<u>10,580</u>	<u>5,100</u>	<u>5,480</u>
Total Support Services	<u>443,053</u>	<u>383,557</u>	<u>312,476</u>	<u>71,081</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
TITLE I FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	139,700	70,000	63,178	6,822
Fringe Benefits	40,263	40,000	22,052	17,948
Purchased Services	4,106	0	0	0
Supplies and Materials	3,000	3,000	0	3,000
Capital Outlay	500	500	0	500
Total Community Services	<u>187,569</u>	<u>113,500</u>	<u>85,230</u>	<u>28,270</u>
Total Operation of Non-Instructional Services	<u>187,569</u>	<u>113,500</u>	<u>85,230</u>	<u>28,270</u>
Total Expenditures	<u>2,392,947</u>	<u>1,508,184</u>	<u>1,280,499</u>	<u>227,685</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,277,947)</u>	<u>26,972</u>	<u>(111,242)</u>	<u>(138,214)</u>
Other Financing Sources (Users):				
Transfers In	0	128,723	128,723	0
Transfers Out	0	(134,723)	(134,723)	0
Advances In	0	138,114	138,114	0
Advances Out	<u>0</u>	<u>(32,310)</u>	<u>(32,310)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>99,804</u>	<u>99,804</u>	<u>0</u>
Net Change in Fund Balance	<u>(1,277,947)</u>	<u>126,776</u>	<u>(11,438)</u>	<u>(138,214)</u>
Fund Balance Beginning of Year	104	104	104	0
Prior Year Encumbrances Appropriated	<u>11,338</u>	<u>11,338</u>	<u>11,338</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,266,505</u>	<u>\$ 138,218</u>	<u>\$ 4</u>	<u>\$ 138,214</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BASIS) AND ACTUAL -
 TITLE V INNOVATIVE PROGRAM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 120,000	\$ 68,181	\$ 63,150	\$ (5,031)
Total Revenues	<u>120,000</u>	<u>68,181</u>	<u>63,150</u>	<u>(5,031)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	76,226	37,128	39,663	(2,535)
Fringe Benefits	13,364	6,467	6,291	176
Supplies and Materials	812	110	110	0
Total Regular Instruction	<u>90,402</u>	<u>43,705</u>	<u>46,064</u>	<u>(2,359)</u>
Special Instruction:				
Salaries and Wages	802	0	0	0
Fringe Benefits	411	0	(11)	11
Total Special Instruction	<u>1,213</u>	<u>0</u>	<u>(11)</u>	<u>11</u>
Total Instruction	<u>91,615</u>	<u>43,705</u>	<u>46,053</u>	<u>(2,348)</u>
Support Services:				
Pupil:				
Salaries and Wages	0	1,356	1,356	0
Fringe Benefits	545	159	159	0
Other	0	1,276	1,276	0
Total Pupil	<u>545</u>	<u>2,791</u>	<u>2,791</u>	<u>0</u>
Instructional Staff:				
Purchased Services	1,091	0	0	0
Total Instructional Staff	<u>1,091</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>1,636</u>	<u>2,791</u>	<u>2,791</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	3,290	2,880	2,300	580
Supplies and Materials	16,495	16,425	12,525	3,900
Capital Outlay	2,942	2,942	2,942	0
Total Community Services	<u>22,727</u>	<u>22,247</u>	<u>17,767</u>	<u>4,480</u>
Total Operation of Non-Instructional Services	<u>22,727</u>	<u>22,247</u>	<u>17,767</u>	<u>4,480</u>
Total Expenditures	<u>115,978</u>	<u>68,743</u>	<u>66,611</u>	<u>2,132</u>
Excess of Revenues Over (Under) Expenditures	<u>4,022</u>	<u>(562)</u>	<u>(3,461)</u>	<u>(2,899)</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
TITLE V INNOVATIVE PROGRAM FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	210	210	0
Transfers Out	0	(210)	(210)	0
Advances In	0	2,899	2,899	0
Advances Out	<u>(4,138)</u>	<u>(4,138)</u>	<u>(4,138)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(4,138)</u>	<u>(1,239)</u>	<u>(1,239)</u>	<u>0</u>
Net Change in Fund Balance	(116)	(1,801)	(4,700)	(2,899)
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>4,700</u>	<u>4,700</u>	<u>4,700</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 4,584</u>	<u>\$ 2,899</u>	<u>\$ 0</u>	<u>\$ (2,899)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
DRUG FREE SCHOOLS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 59,890	\$ 36,747	\$ 27,986	\$ (8,761)
Miscellaneous	110	110	0	(110)
Total Revenues	<u>60,000</u>	<u>36,857</u>	<u>27,986</u>	<u>(8,871)</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	92,231	13,191	8,852	4,339
Fringe Benefits	15,037	3,294	1,304	1,990
Purchased Services	14,000	14,000	14,000	0
Supplies and Materials	858	750	750	0
Total Regular Instruction	<u>122,126</u>	<u>31,235</u>	<u>24,906</u>	<u>6,329</u>
Total Instruction	<u>122,126</u>	<u>31,235</u>	<u>24,906</u>	<u>6,329</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	5,667	5,647	4,334	1,313
Supplies and Materials	2,586	1,540	341	1,199
Total Community Services	<u>8,253</u>	<u>7,187</u>	<u>4,675</u>	<u>2,512</u>
Total Operation of Non-Instructional Services	<u>8,253</u>	<u>7,187</u>	<u>4,675</u>	<u>2,512</u>
Total Expenditures	<u>130,379</u>	<u>38,422</u>	<u>29,581</u>	<u>8,841</u>
Excess of Revenues Over (Under) Expenditures	<u>(70,379)</u>	<u>(1,565)</u>	<u>(1,595)</u>	<u>(30)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	1,643	1,643	0
Transfers Out	0	(1,643)	(1,643)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(70,379)	(1,565)	(1,595)	(30)
Fund Balance Beginning of Year	1,383	1,383	1,383	0
Prior Year Encumbrances Appropriated	292	292	292	0
Fund Balance (Deficit) End of Year	<u>\$ (68,704)</u>	<u>\$ 110</u>	<u>\$ 80</u>	<u>\$ (30)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
PRESCHOOL DISABILITIES GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 70,000	\$ 35,652	\$ 33,389	\$ (2,263)
Total Revenues	<u>70,000</u>	<u>35,652</u>	<u>33,389</u>	<u>(2,263)</u>
Expenditures				
Current:				
Instruction:				
Special Instruction:				
Salaries and Wages	1,200	1,200	0	1,200
Fringe Benefits	204	204	0	204
Supplies and Materials	5,228	5,228	2,015	3,213
Capital Outlay	900	900	900	0
Total Special Instruction	<u>7,532</u>	<u>7,532</u>	<u>2,915</u>	<u>4,617</u>
Total Instruction	<u>7,532</u>	<u>7,532</u>	<u>2,915</u>	<u>4,617</u>
Support Services:				
Pupil:				
Salaries and Wages	44,405	19,810	25,456	(5,646)
Fringe Benefits	16,982	8,884	7,328	1,556
Total Pupil	<u>61,387</u>	<u>28,694</u>	<u>32,784</u>	<u>(4,090)</u>
Total Support Services	<u>61,387</u>	<u>28,694</u>	<u>32,784</u>	<u>(4,090)</u>
Operation of Non-Instructional Services:				
Community Services:				
Supplies and Materials	1,284	879	0	879
Total Community Services	<u>1,284</u>	<u>879</u>	<u>0</u>	<u>879</u>
Total Operation of Non-Instructional Services	<u>1,284</u>	<u>879</u>	<u>0</u>	<u>879</u>
Total Expenditures	<u>70,203</u>	<u>37,105</u>	<u>35,699</u>	<u>1,406</u>
Excess of Revenues Over (Under) Expenditures	<u>(203)</u>	<u>(1,453)</u>	<u>(2,310)</u>	<u>(857)</u>
Other Financing Sources (Uses)				
Transfers In	0	4,588	4,588	0
Transfers Out	0	(4,588)	(4,588)	0
Advances In	0	857	857	0
Advances Out	0	(857)	0	857
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>857</u>	<u>857</u>
Net Change in Fund Balance	<u>(203)</u>	<u>(1,453)</u>	<u>(1,453)</u>	<u>0</u>
Fund Balance Beginning of Year	1,453	1,453	1,453	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,250</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
CONTINUOUS IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Miscellaneous	\$ 10,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	10,000	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
TITLE IIA - IMPROVING TEACHER QUALITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 335,000	\$ 535,421	\$ 488,778	\$ (46,643)
Total Revenues	<u>335,000</u>	<u>535,421</u>	<u>488,778</u>	<u>(46,643)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction				
Salaries and Wages	428,300	259,111	257,988	1,123
Fringe Benefits	180,046	105,389	118,894	(13,505)
Total Regular Instruction	<u>608,346</u>	<u>364,500</u>	<u>376,882</u>	<u>(12,382)</u>
Total Instruction	<u>608,346</u>	<u>364,500</u>	<u>376,882</u>	<u>(12,382)</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	21,000	21,000	14,539	6,461
Fringe Benefits	9,000	9,001	2,351	6,650
Purchased Services	128,941	111,253	110,375	878
Supplies and Materials	43,599	42,237	42,237	0
Total Instructional Staff	<u>202,540</u>	<u>183,491</u>	<u>169,502</u>	<u>13,989</u>
Total Support Services	<u>202,540</u>	<u>183,491</u>	<u>169,502</u>	<u>13,989</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	10,172	9,296	7,301	1,995
Supplies and Materials	2,042	1,125	741	384
Capital Outlay	2,992	2,982	0	2,982
Total Community Services	<u>15,206</u>	<u>13,403</u>	<u>8,042</u>	<u>5,361</u>
Total Operation of Non-Instructional Services	<u>15,206</u>	<u>13,403</u>	<u>8,042</u>	<u>5,361</u>
Total Expenditures	<u>826,092</u>	<u>561,394</u>	<u>554,426</u>	<u>6,968</u>
Excess of Revenues Over (Under) Expenditures	<u>(41,092)</u>	<u>(25,973)</u>	<u>(65,648)</u>	<u>(39,675)</u>
Other Financing Sources (Uses)				
Transfers In	0	48,836	48,836	0
Transfers Out	0	(48,836)	(48,836)	0
Advances In	0	40,552	40,552	0
Advances Out	0	(40,552)	0	40,552
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>40,552</u>	<u>40,552</u>
Net Change in Fund Balance	(491,092)	(25,973)	(25,096)	877
Fund Balance Beginning of Year	7,400	7,400	7,400	0
Prior Year Encumbrances Appropriated	18,573	18,573	18,573	0
Fund Balance (Deficit) End of Year	<u>\$ (465,119)</u>	<u>\$ 0</u>	<u>\$ 877</u>	<u>\$ 877</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 211,000	\$ 2,321,204	\$ 847,214	\$(1,473,990)
Total Revenues	<u>211,000</u>	<u>2,321,204</u>	<u>847,214</u>	<u>(1,473,990)</u>
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	5,609	21,694	22,972	(1,278)
Fringe Benefits	947	3,778	3,915	(137)
Purchased Services	18,460	56,715	45,907	10,808
Supplies and Materials	40	40	0	40
Total Regular Instruction	<u>25,056</u>	<u>82,227</u>	<u>72,794</u>	<u>9,433</u>
Special Instruction:				
Supplies and materials	1,028	616	521	95
Capital Outlay	2,749	2,417	2,363	54
Total Special Instruction	<u>3,777</u>	<u>3,033</u>	<u>2,884</u>	<u>149</u>
Other:				
Purchased Services	0	744	744	0
Total Other	<u>0</u>	<u>744</u>	<u>744</u>	<u>0</u>
Total Instruction	<u>28,833</u>	<u>86,004</u>	<u>76,422</u>	<u>9,582</u>
Support Services:				
Pupil:				
Salaries and Wages	0	732,732	325,575	407,157
Fringe Benefits	0	165,623	101,102	64,521
Purchased Services	750	855,779	412,086	443,693
Supplies and Materials	5,182	90,199	31,654	58,545
Capital Outlay	0	13,000	12,531	469
Total Pupil	<u>5,932</u>	<u>1,857,333</u>	<u>882,948</u>	<u>974,385</u>
Instructional Staff:				
Salaries and Wages	4,978	13,521	0	13,521
Fringe Benefits	1,496	2,953	0	2,953
Purchased Services	9,010	13,306	12,700	606
Supplies and Materials	15,641	14,635	15,245	(610)
Capital Outlay	126	126	0	126
Total Instructional Staff	<u>31,251</u>	<u>44,541</u>	<u>27,945</u>	<u>16,596</u>
Administrative:				
Other	0	5,000	0	5,000
Total Administrative	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Pupil Transportation:				
Purchased Services	5,748	11,895	1,000	10,895
Total Pupil Transportation	<u>5,748</u>	<u>11,895</u>	<u>1,000</u>	<u>10,895</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
MISCELLANEOUS FEDERAL GRANTS FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Central Services:				
Salaries and Wages	0	62,883	33,003	29,880
Fringe Benefits	0	17,022	11,414	5,608
Purchased Services	0	67,128	67,128	0
Total Central Services	<u>0</u>	<u>147,033</u>	<u>111,545</u>	<u>35,488</u>
Total Support Services	<u>42,931</u>	<u>2,065,802</u>	<u>1,023,438</u>	<u>1,042,364</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	522	522	522	0
Supplies and Materials	5,286	4,397	2,572	1,825
Capital Outlay	1,988	1,988	0	1,988
Total Community Services	<u>7,796</u>	<u>6,907</u>	<u>3,094</u>	<u>3,813</u>
Total Operation of Non-Instructional Services	<u>7,796</u>	<u>6,907</u>	<u>3,094</u>	<u>3,813</u>
Total Expenditures	<u>79,560</u>	<u>2,158,713</u>	<u>1,102,954</u>	<u>1,055,759</u>
Excess of Revenues Over (Under) Expenditures	<u>131,440</u>	<u>162,491</u>	<u>(255,740)</u>	<u>(418,231)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	6,752	6,752	0
Transfers Out	(1,232)	(7,984)	(6,752)	1,232
Advances In	0	250,475	250,475	0
Advances Out	0	(250,475)	0	250,475
Total Other Financing Sources (Uses)	<u>(1,232)</u>	<u>(1,232)</u>	<u>250,475</u>	<u>251,707</u>
Net Change in Fund Balance	130,208	161,259	(5,265)	(166,524)
Fund Balance Beginning of Year	3,153	3,153	3,153	0
Prior Year Encumbrances Appropriated	<u>3,032</u>	<u>3,032</u>	<u>3,032</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 136,393</u>	<u>\$ 167,444</u>	<u>\$ 920</u>	<u>\$ (166,524)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SCHOOL NET PLUS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental	\$ 115,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>115,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Pupil:				
Supplies and Materials	20,732	20,732	21,127	(395)
Capital Outlay	86,459	86,459	86,266	193
Total Pupil	<u>107,191</u>	<u>107,191</u>	<u>107,393</u>	<u>(202)</u>
Instructional Staff:				
Purchased Services	955	955	0	955
Total Instructional Staff	<u>955</u>	<u>955</u>	<u>0</u>	<u>955</u>
Total Support Services	<u>108,146</u>	<u>108,146</u>	<u>107,393</u>	<u>753</u>
Total Expenditures	<u>108,146</u>	<u>108,146</u>	<u>107,393</u>	<u>753</u>
Net Change in Fund Balance	6,854	(108,146)	(107,393)	753
Fund Balance Beginning of Year	1,832	1,832	1,832	0
Prior Year Encumbrances Appropriated	<u>107,584</u>	<u>107,584</u>	<u>107,584</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 116,270</u>	<u>\$ 1,270</u>	<u>\$ 2,023</u>	<u>\$ 753</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
BELLEFAIRE GENERAL ROTARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Negative)
Revenues				
Operating Grants	\$ 700,000	\$ 804,585	\$ 804,585	\$ 0
Tuition and Fees	<u>3,000,000</u>	<u>1,963,137</u>	<u>1,963,137</u>	<u>0</u>
Total Revenues	<u>3,700,000</u>	<u>2,767,722</u>	<u>2,767,722</u>	<u>0</u>
Expenses				
Salaries and Wages:				
Regular Instruction	148,800	148,800	116,615	32,185
Special Instruction	1,184,821	1,084,821	1,091,682	(6,861)
Support Services - Pupils	437,187	337,187	403,829	(66,642)
Support Services - Instructional Staff	35,600	35,600	5,086	30,514
Support Services - Administration	<u>161,398</u>	<u>161,398</u>	<u>169,375</u>	<u>(7,977)</u>
Total Salaries and Wages	<u>1,967,806</u>	<u>1,767,806</u>	<u>1,786,587</u>	<u>(18,781)</u>
Fringe Benefits:				
Regular Instruction	41,677	41,677	35,628	6,049
Special Instruction	469,222	369,222	394,033	(24,811)
Support Services - Pupils	139,454	139,454	127,726	11,728
Support Services - Instructional Staff	8,326	8,326	1,955	6,371
Support Services - Administration	<u>57,478</u>	<u>57,478</u>	<u>58,531</u>	<u>(1,053)</u>
Total Fringe Benefits	<u>716,157</u>	<u>616,157</u>	<u>617,873</u>	<u>(1,716)</u>
Purchased Services:				
Special Instruction	654,182	478,740	487,004	(8,264)
Support Services - Pupils	550	550	0	550
Support Services - Instructional Staff	<u>267</u>	<u>267</u>	<u>267</u>	<u>0</u>
Total Purchased Services	<u>654,999</u>	<u>479,557</u>	<u>487,271</u>	<u>(7,714)</u>
Supplies and Materials:				
Special Instruction	62,308	66,208	54,500	11,708
Support Services - Pupils	1,536	536	20	516
Support Services - Instructional Staff	<u>3,124</u>	<u>3,124</u>	<u>2,335</u>	<u>789</u>
Total Supplies and Materials	<u>66,968</u>	<u>69,868</u>	<u>56,855</u>	<u>13,013</u>
Capital Outlay:				
Special Instruction	10,000	14,542	5,452	9,090
Support Services - Pupils	600	600	0	600
Support Services - Instructional Staff	<u>650</u>	<u>650</u>	<u>0</u>	<u>650</u>
Total Capital Outlay	<u>11,250</u>	<u>15,792</u>	<u>5,452</u>	<u>10,340</u>
Other:				
Special Instruction	<u>9,220</u>	<u>9,220</u>	<u>5,018</u>	<u>4,202</u>
Total Other Expenses	<u>9,220</u>	<u>9,220</u>	<u>5,018</u>	<u>4,202</u>
Total Expenses	<u>3,426,400</u>	<u>2,958,400</u>	<u>2,959,056</u>	<u>(656)</u>
Excess of Revenues Over (Under) Expenses	<u>273,600</u>	<u>(190,678)</u>	<u>(191,334)</u>	<u>(656)</u>

(Continued)

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
BELLEFAIRE GENERAL ROTARY FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Negative)
<u>Other Financing Sources (Uses)</u>				
Advances In	0	125,133	125,133	0
Advances Out	<u>(1,900,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,900,000)</u>	<u>125,133</u>	<u>125,133</u>	<u>0</u>
Net Change in Fund Equity	(1,626,400)	(65,545)	(66,201)	(656)
Fund Equity Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>66,201</u>	<u>66,201</u>	<u>66,201</u>	<u>0</u>
Fund Equity (Deficit) End of Year	<u><u>\$(1,560,199)</u></u>	<u><u>\$ 656</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (656)</u></u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
FOOD SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 1,036,000	\$ 1,036,000	\$ 851,232	\$ (184,768)
Food Services	<u>1,030,000</u>	<u>1,030,000</u>	<u>941,218</u>	<u>(88,782)</u>
Total Revenues	<u>2,066,000</u>	<u>2,066,000</u>	<u>1,792,450</u>	<u>(273,550)</u>
<u>Expenses</u>				
Salaries and Wages:				
Food Service Operations	<u>711,497</u>	<u>711,497</u>	<u>779,481</u>	<u>(67,984)</u>
Total Salaries and Wages	<u>711,497</u>	<u>711,497</u>	<u>779,481</u>	<u>(67,984)</u>
Fringe Benefits:				
Food Service Operations	<u>379,699</u>	<u>379,699</u>	<u>347,330</u>	<u>32,369</u>
Total Fringe Benefits	<u>379,699</u>	<u>379,699</u>	<u>347,330</u>	<u>32,369</u>
Purchased Services:				
Food Service Operations	<u>51,126</u>	<u>71,184</u>	<u>66,708</u>	<u>4,476</u>
Total Purchased Services	<u>51,126</u>	<u>71,184</u>	<u>66,708</u>	<u>4,476</u>
Supplies and Materials:				
Food Service Operations	<u>1,082,634</u>	<u>1,054,303</u>	<u>1,048,118</u>	<u>6,185</u>
Total Supplies and Materials	<u>1,082,834</u>	<u>1,054,303</u>	<u>1,048,118</u>	<u>6,185</u>
Capital Outlay:				
Food Service Operations	<u>21,000</u>	<u>1,307</u>	<u>1,307</u>	<u>0</u>
Total Capital Outlay	<u>21,000</u>	<u>1,307</u>	<u>1,307</u>	<u>0</u>
Other:				
Food Service Operations	<u>3,400</u>	<u>3,566</u>	<u>3,566</u>	<u>0</u>
Total Other	<u>3,400</u>	<u>3,566</u>	<u>3,566</u>	<u>0</u>
Total Expenses	<u>2,249,566</u>	<u>2,221,556</u>	<u>2,246,510</u>	<u>(24,954)</u>
Excess of Revenues Over (Under) Expenses	<u>(183,556)</u>	<u>(155,556)</u>	<u>(454,060)</u>	<u>(298,504)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>509,000</u>	<u>450,560</u>	<u>450,560</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>509,000</u>	<u>450,560</u>	<u>450,560</u>	<u>0</u>
Net Change in Fund Equity	325,444	295,004	(3,500)	(298,504)
Fund Equity Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
Fund Equity End of Year	<u>\$ 328,944</u>	<u>\$ 298,504</u>	<u>\$ 0</u>	<u>\$ (298,504)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Negative)
<u>Revenues</u>				
Classroom Materials and Fees	\$ 50,000	\$ 72,279	\$ 54,479	\$ (17,800)
Miscellaneous	<u>0</u>	<u>41,500</u>	<u>24,922</u>	<u>(16,578)</u>
Total Revenues	<u>50,000</u>	<u>113,779</u>	<u>79,401</u>	<u>(34,378)</u>
<u>Expenses</u>				
Supplies and Materials:				
Regular Instruction	92,924	64,979	53,057	11,922
Other Operation of Non-Instructional Services	<u>30,178</u>	<u>30,178</u>	<u>16,157</u>	<u>14,021</u>
Total Supplies and Materials	<u>123,102</u>	<u>95,157</u>	<u>69,214</u>	<u>25,943</u>
Other:				
Regular Instruction	275	275	275	0
Other Operation of Non-Instructional Services	<u>1,757</u>	<u>11,757</u>	<u>7,431</u>	<u>4,326</u>
Total Other	<u>2,032</u>	<u>12,032</u>	<u>7,706</u>	<u>4,326</u>
Purchased Services:				
Other Operation of Non-Instructional Services	<u>0</u>	<u>790</u>	<u>790</u>	<u>0</u>
Total Purchased Services	<u>0</u>	<u>790</u>	<u>790</u>	<u>0</u>
Total Expenses	<u>125,134</u>	<u>107,979</u>	<u>77,710</u>	<u>30,269</u>
Net Change in Fund Equity	(75,134)	5,800	1,691	(4,109)
Fund Equity Beginning of Year	26,072	26,072	26,072	0
Prior Year Encumbrances Appropriated	<u>5,935</u>	<u>5,935</u>	<u>5,935</u>	<u>0</u>
Fund Equity (Deficit) End of Year	<u>\$ (43,127)</u>	<u>\$ 37,807</u>	<u>\$ 33,698</u>	<u>\$ (4,109)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
CUSTOMER SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Negative)
<u>Revenues</u>				
Miscellaneous	\$ 48,740	\$ 18,245	\$ 18,245	\$ 0
Total Revenues	<u>48,740</u>	<u>18,245</u>	<u>18,245</u>	<u>0</u>
<u>Expenses</u>				
Purchased Services:				
Regular Instruction	1,037	10,720	10,720	0
Special Instruction	0	18,860	18,860	0
Support Services - Pupil	105	0	0	0
Central Services	500	0	0	0
Total Purchased Services	<u>1,642</u>	<u>29,580</u>	<u>29,580</u>	<u>0</u>
Supplies and Materials:				
Regular Instruction	1,464	2,531	2,531	0
Total Supplies and Materials	<u>1,464</u>	<u>2,531</u>	<u>2,531</u>	<u>0</u>
Other:				
Regular Instruction	0	2,500	2,500	0
Total Other	<u>0</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Total Expenses	<u>3,106</u>	<u>34,611</u>	<u>34,611</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	<u>45,634</u>	<u>(16,366)</u>	<u>(16,366)</u>	<u>0</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	31,260	31,260	13,760	(17,500)
Total Other Financing Sources (Uses)	<u>31,260</u>	<u>31,260</u>	<u>13,760</u>	<u>(17,500)</u>
Net Change in Fund Equity	76,894	14,894	(2,606)	(17,500)
Fund Equity Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>2,606</u>	<u>2,606</u>	<u>2,606</u>	<u>0</u>
Fund Equity End of Year	<u>\$ 79,500</u>	<u>\$ 17,500</u>	<u>\$ 0</u>	<u>\$ (17,500)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COMMUNITY SERVICES/EARLY CHILDHOOD FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Negative)
<u>Revenues</u>				
Tuition and Fees	\$ 1,234,490	\$ 1,234,490	\$ 1,084,126	\$ (150,364)
Miscellaneous	465,000	465,000	79,605	(385,395)
Total Revenues	<u>1,699,490</u>	<u>1,699,490</u>	<u>1,163,731</u>	<u>(535,759)</u>
<u>Expenses</u>				
Salaries and Wages:				
Community Services	<u>1,088,389</u>	<u>1,088,389</u>	<u>1,044,087</u>	<u>44,302</u>
Total Salaries and Wages	<u>1,088,389</u>	<u>1,088,389</u>	<u>1,044,087</u>	<u>44,302</u>
Fringe Benefits:				
Community Services	<u>545,709</u>	<u>545,709</u>	<u>234,358</u>	<u>311,351</u>
Total Fringe Benefits	<u>545,709</u>	<u>545,709</u>	<u>234,358</u>	<u>311,351</u>
Purchased Services:				
Community Services	<u>152,856</u>	<u>151,415</u>	<u>40,254</u>	<u>111,161</u>
Total Purchased Services	<u>152,856</u>	<u>151,415</u>	<u>40,254</u>	<u>111,161</u>
Supplies and Materials:				
Community Services	<u>187,780</u>	<u>154,030</u>	<u>108,638</u>	<u>45,392</u>
Total Supplies and Materials	<u>187,780</u>	<u>154,030</u>	<u>108,638</u>	<u>45,392</u>
Capital Outlay:				
Community Services	<u>8,873</u>	<u>10,623</u>	<u>4,079</u>	<u>6,544</u>
Total Capital Outlay	<u>8,873</u>	<u>10,623</u>	<u>4,079</u>	<u>6,544</u>
Other:				
Community Services	<u>27,651</u>	<u>26,992</u>	<u>10,713</u>	<u>16,279</u>
Total Other Expenses	<u>27,651</u>	<u>26,992</u>	<u>10,713</u>	<u>16,279</u>
Total Expenses	<u>2,011,258</u>	<u>1,977,158</u>	<u>1,442,129</u>	<u>535,029</u>
Excess of Revenues Over (Under) Expenses	<u>(311,768)</u>	<u>(277,668)</u>	<u>(278,398)</u>	<u>(730)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>137,510</u>	<u>253,695</u>	<u>253,695</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>137,510</u>	<u>253,695</u>	<u>253,695</u>	<u>0</u>
Net Change in Fund Equity	(174,258)	(23,973)	(24,703)	(730)
Fund Equity Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>24,703</u>	<u>24,703</u>	<u>24,703</u>	<u>0</u>
Fund Equity End of Year	<u>\$ (149,555)</u>	<u>\$ 730</u>	<u>\$ 0</u>	<u>\$ (730)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SELF-INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Negative)
<u>Revenues</u>				
Miscellaneous	\$ 0	\$ 1,338,664	\$ 1,493,284	\$ 154,620
Total Revenues	<u>0</u>	<u>1,338,664</u>	<u>1,493,284</u>	<u>154,620</u>
<u>Expenses</u>				
Salaries and Wages:				
Support Services - Central	<u>0</u>	<u>0</u>	<u>34,112</u>	<u>(34,112)</u>
Total Salaries and Wages	<u>0</u>	<u>0</u>	<u>34,112</u>	<u>(34,112)</u>
Fringe Benefits:				
Support Services - Central	1,452,032	1,452,032	1,672,607	(220,575)
Fringe Adjustments	<u>0</u>	<u>0</u>	<u>131,564</u>	<u>(131,564)</u>
Total Fringe Benefits	<u>1,452,032</u>	<u>1,452,032</u>	<u>1,804,171</u>	<u>(352,139)</u>
Purchased Services:				
Support Services - Central Services	<u>232,831</u>	<u>232,831</u>	<u>90,385</u>	<u>142,446</u>
Total Purchased Services	<u>232,831</u>	<u>232,831</u>	<u>90,385</u>	<u>142,446</u>
Total Expenses	<u>1,684,863</u>	<u>1,684,863</u>	<u>1,928,668</u>	<u>(243,805)</u>
Net Change in Fund Equity	(1,684,863)	(346,199)	(435,384)	(89,185)
Fund Equity Beginning of Year	1,493,108	1,493,108	1,493,108	0
Prior Year Encumbrances Appropriated	<u>9,530</u>	<u>9,530</u>	<u>9,530</u>	<u>0</u>
Fund Equity (Deficit) End of Year	<u>\$ (182,225)</u>	<u>\$ 1,156,439</u>	<u>\$ 1,067,254</u>	<u>\$ (89,185)</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
WORKERS' COMPENSATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Negative)
<u>Revenues</u>				
Miscellaneous	\$ 525,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>525,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenses</u>				
Fringe Benefits:				
Support Services - Central	<u>992,719</u>	<u>1,167,719</u>	<u>1,152,719</u>	<u>15,000</u>
Total Fringe Benefits	<u>992,719</u>	<u>1,167,719</u>	<u>1,152,719</u>	<u>15,000</u>
Purchased Services:				
Support Services - Central Services	<u>16,868</u>	<u>16,868</u>	<u>37,242</u>	<u>(20,374)</u>
Total Purchased Services	<u>16,868</u>	<u>16,868</u>	<u>37,242</u>	<u>(20,374)</u>
Total Expenses	<u>1,009,587</u>	<u>1,184,587</u>	<u>1,189,961</u>	<u>(5,374)</u>
Net Change in Fund Equity	(484,587)	(1,184,587)	(1,189,961)	(5,374)
Fund Equity Beginning of Year	1,434,465	1,434,465	1,434,465	0
Prior Year Encumbrances Appropriated	<u>259,588</u>	<u>259,588</u>	<u>259,588</u>	<u>0</u>
Fund Equity End of Year	<u>\$ 1,209,466</u>	<u>\$ 509,466</u>	<u>\$ 504,092</u>	<u>\$ (5,374)</u>



CHRISTOPHER STUEBER
Grade 7, Roxboro Middle School



STATISTICAL *Section*



AMIN ASSAR
Grade 7,
Roxboro Middle School

ELLEN PEARSON
Grade 8, Monticello Middle School



Cleveland
University **Heights**



City School District

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**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
GOVERNMENTAL EXPENSES/EXPENDITURES BY FUNCTION
LAST TEN YEARS (1)**

	<u>2004</u>		<u>2003</u>		<u>2002</u>
	<u>Full Accrual</u>	<u>Modified Accrual</u>	<u>Full Accrual</u>	<u>Modified Accrual</u>	
Instruction					
Regular	\$ 36,417,770	\$ 35,087,111	\$ 34,958,355	\$ 34,583,645	\$ 32,721,891
Special	7,890,280	7,718,576	7,570,304	7,558,962	6,843,267
Vocational Education	1,774,417	1,695,105	1,859,843	1,828,643	1,679,674
Adult/Continuing	238,686	258,416	249,789	249,789	243,714
Other	2,664,644	2,675,944	2,454,574	2,454,574	1,217,427
Support Services:					
Pupils	9,177,483	8,910,162	7,951,089	7,951,441	7,205,878
Instructional Staff	5,524,342	5,385,171	5,056,893	4,835,159	4,179,534
Board of Education	579,903	543,274	491,748	491,748	245,198
Administrative	5,999,231	5,848,938	5,514,641	5,524,040	5,573,613
Fiscal Services	1,554,698	1,532,415	1,964,999	1,956,620	2,029,914
Business	5,187,483	5,139,737	2,494,829	4,087,808	2,713,106
Operation and Maintenance					
of Plant Services	8,631,086	16,007,194	11,645,982	14,280,666	11,578,679
Pupil Transportation	3,403,554	3,229,414	3,253,212	3,194,204	2,728,538
Central Services	2,641,862	2,594,369	2,976,889	2,942,986	3,004,062
Operation of Non-Instructional Services:					
Food Services	0	24	976	976	103
Community Services	1,772,402	1,755,029	2,280,063	2,279,893	2,097,167
Other	63,510	50,795	100,526	100,920	78,040
Extracurricular Activities	1,108,523	1,077,510	1,170,728	1,154,995	1,160,769
Capital Outlay	0	124,678	122,904	122,904	10,547
Debt Service	732,788	2,007,299	610,196	2,027,489	1,550,867
Other Uses (2)	<u>0</u>	<u>6,955,329</u>	<u>0</u>	<u>2,214,769</u>	<u>464,290</u>
Total	<u>\$ 95,362,662</u>	<u>\$108,596,490</u>	<u>\$92,708,540</u>	<u>\$99,842,231</u>	<u>\$87,326,278</u>

Source: School District financial records

(1) 2003 reported on modified accrual and full accrual basis; 1999 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) 1995 through 1999 detail on Instruction by function not available.

<u>2001</u>	<u>2000</u>	<u>1999 (3)</u>	<u>1998 (3)</u>	<u>1997 (3)</u>	<u>1996 (3)</u>	<u>1995 (3)</u>
\$ 31,830,566	\$ 30,403,860	\$ 40,732,226	\$ 36,761,834	\$ 34,154,974	\$ 33,965,345	\$ 32,972,066
6,353,542	5,939,722					
1,623,723	1,633,653					
219,804	202,811					
1,933,701	1,702,550					
7,300,157	6,857,623	6,174,489	5,885,176	5,394,428	5,221,280	4,812,786
3,676,704	4,009,890	4,276,090	3,269,485	3,037,140	2,933,757	2,555,700
621,463	763,661	288,511	254,643	289,075	273,037	251,034
4,669,781	4,917,757	5,115,042	5,058,623	4,821,941	4,872,084	4,673,835
1,809,818	1,738,279	1,451,557	1,424,184	1,270,680	1,225,485	1,176,275
1,490,288	1,457,801	1,206,753	1,252,836	1,214,054	1,402,740	1,218,156
9,145,902	11,705,803	8,250,470	9,998,527	9,916,604	11,496,622	10,008,616
2,425,998	2,266,660	2,162,846	2,184,556	1,991,311	2,268,118	1,722,811
2,775,439	2,503,827	2,124,117	1,708,066	1,663,157	1,374,537	1,249,017
1,853	927	0	0	0	0	0
1,962,607	2,024,777	0	1,537,051	1,685,820	1,393,623	1,302,342
70,196	79,469	3,117,020	8,057	9,546	0	0
982,550	910,198	971,425	634,924	574,056	613,860	602,046
19,500	14,678	6,483,198	5,800	142	74,572	0
1,210,973	651,270	523,765	383,250	393,900	302,250	308,250
895,338	1,975,983	877,881	1,175,693	943,048	700,295	466,877
<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>	<u>\$ 63,319,811</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS (1)**

	<u>2004</u>		<u>2003</u>		<u>2002</u>
	<u>Full Accrual</u>	<u>Modified Accrual</u>	<u>Full Accrual</u>	<u>Modified Accrual</u>	
<u>Program Revenues</u>					
Charges for Services	\$ 5,381,228	N/A	\$ 2,867,838	N/A	\$ 0
Operating Grants and Contributions	8,941,134	N/A	8,826,745	N/A	0
Capital Grants and Contributions	56,931	N/A	56,288	N/A	0
<u>General Revenues</u>					
Taxes	62,188,992	\$ 60,162,590	53,660,377	\$ 46,308,999	62,143,581
Intergovernmental	21,819,121	33,979,643	16,603,073	33,868,366	31,643,744
Transportation Fees	0	76,823	0	56,288	61,297
Earnings on Investments	169,792	169,792	260,631	254,688	828,171
Tuition and Fees	0	666,018	0	589,353	287,421
Food Services	0	0	0	0	1,831
Extracurricular Activities	0	276,992	0	347,415	370,346
Classroom Materials and Fees	0	47,994	0	65,752	61,389
Miscellaneous Revenues and Other Financing Sources	<u>0</u>	<u>13,657,778</u>	<u>0</u>	<u>10,119,154</u>	<u>16,325,659</u>
Total	<u>\$ 98,557,198</u>	<u>\$109,037,630</u>	<u>\$82,274,952</u>	<u>\$91,610,015</u>	<u>\$111,723,439</u>

Source: School District financial records

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

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
50,765,634	40,916,548	49,473,648	44,485,699	41,513,741	38,703,674	38,513,088
30,873,961	27,247,063	28,389,022	24,655,970	23,468,413	21,725,353	21,432,563
95,538	46,063	0	53,363	53,872	66,415	60,226
1,320,577	1,027,407	1,758,784	1,358,683	1,122,215	1,162,847	1,056,984
899,953	1,553,244	5,948,629	3,802,397	2,609,749	3,187,569	2,740,313
0	92	0	39,819	77,678	76,843	79,263
448,766	365,223	955,618	0	0	0	0
74,081	271,746	0	0	0	0	0
<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>446,545</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>	<u>\$ 64,328,982</u>

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
REAL AND PERSONAL PROPERTY TAXES (1)
LAST TEN FISCAL YEARS**

<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>
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%
1994	43,613,997	2,161,047	45,775,044	40,139,801	92.03%	1,059,453	41,199,254	94.46%

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 VALUE OF TAXABLE PROPERTY
 LAST TEN CALENDAR YEARS**

Tax Year/ Collection Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Actual Value	Ratio
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%
1994	754,846,650	2,156,704,714	33,944,900	38,573,750	22,006,631	88,026,524	810,798,181	2,283,304,988	36%

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
(PER \$1,000 ASSESSED VALUATION)
LAST TEN CALENDAR YEARS**

<u>Tax Year</u>	<u>School Levy</u>	<u>County Levy</u>	<u>City Levy</u>	<u>MetroParks 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>
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

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
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Gross General Bonded Debt</u>	<u>Less Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Ratio of Debt of Assessed Value</u>	<u>Per Capita</u>
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, 2004**

Assessed Valuation	<u>\$1,123,452,674</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 101,110,741
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	15,534,990
Less: Amount Available in Debt Service Fund	<u>(258,667)</u>
Total	<u>15,276,323</u>
Amount of Debt Subject to the Limit	<u>15,276,323</u>
Overall Debt Margin	<u>\$ 85,834,418</u>
Debt Margin - .10% of Assessed Value (1)	\$ 1,123,453
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$ 1,123,453</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 DEBT
GENERAL OBLIGATION
AS OF JUNE 30, 2004**

<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>
<u>Direct</u>			
Cleveland Heights-University Heights City School District	\$ 15,534,990	100.00%	\$ 15,534,990
Total Direct	<u>15,534,990</u>		<u>15,534,990</u>
<u>Overlapping</u>			
City of Cleveland Heights	27,807,000	74.56%	20,731,803
City of South Euclid	12,524,994	2.48%	310,961
City of University Heights	2,570,000	22.96%	590,103
Cuyahoga County	183,239,636	3.71%	6,792,966
Regional Transit Authority	<u>100,855,000</u>	3.71%	<u>3,738,845</u>
Total Overlapping	<u>326,996,630</u>		<u>32,164,678</u>
Grand Total	<u>\$ 342,531,620</u>		<u>\$ 47,699,668</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 2004 collection year.

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GOVERNMENTAL FUND EXPENDITURES
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Fund Expenditures (1)</u>	<u>Ratio of Debt Service to Governmental Fund Expenditures (Percentage)</u>
2003/2004	\$ 655,000	\$ 685,251	\$ 1,340,251	\$ 108,596,490	1.23%
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	0	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%
1994/1995	200,000	108,250	308,250	63,319,811	0.49%

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**

<u>Year</u>	<u>County Population</u>	<u>Cleveland Heights Population(2)</u>	<u>University Heights Population(3)</u>	<u>School Enrollment</u>	<u>Unemployment Rate(1)</u>
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%
1995	1,412,140	53,234	14,416	7,133	5.30%

Source: Information in this table was provided by the City of Cleveland Heights, City of University Heights, Cuyahoga County, and the City of Cleveland

(1) Represents Cuyahoga County

(2) (3) Population data is assumed to be the same as that of the population data supplied by the Census Bureau.

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
PROPERTY VALUES, BANK DEPOSITS, AND CONSTRUCTION
LAST TEN YEARS**

<u>Year</u>	<u>Assessed Value</u>		<u>Cleveland Heights</u>		<u>University Heights</u>		<u>Building Permits</u>	
	<u>Real Personal Property (Amounts in 000's) (1)</u>	<u>Bank Deposits (Amounts in 000's) (2)</u>	<u>Building Permits Issued Number</u>	<u>Value</u>	<u>Building Permits Issued Number</u>	<u>Value</u>	<u>Total Issued (3) Number</u>	<u>Total Value</u>
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
 DECEMBER 31, 2003**

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
SCIT, Inc.	\$ 13,146,540	1.23%
AT&T Wireless PCS	11,680,030	1.10%
Kaiser Foundation Health Plan of Ohio	8,407,390	.79%
Ohio Bell Telephone Company	6,141,950	.58%
The Cleveland Electric Illuminating Co.	6,067,950	.57%
American Retirement Corporation	4,165,810	.39%
Kensington Ltd. Partnership	2,401,070	.23%
Concord Company	2,366,530	.23%
Waldorf Partners, Ltd. Partnership	2,216,320	.22%
SAA, Inc.	<u>2,206,020</u>	<u>.21%</u>
Total	<u>\$ 58,799,610</u>	<u>5.55%</u>
 Total Real Estate Valuation	 <u>\$ 1,066,559,720</u>	

Source: Cuyahoga County Auditor
 (1) Assessed values are for 2003

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS
 TANGIBLE PERSONAL PROPERTY TAX
 DECEMBER 31, 2003**

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Home Depot USA, Inc.	\$ 1,566,250	6.71%
Adelphia of the Midwest, Inc.	1,317,580	5.65%
WalMart Stores East, LP.	1,230,710	5.27%
Motorcars, Inc. Honda Cars	1,210,080	5.19%
International Securities, Ltd.	1,087,520	4.66%
May Department Stores Co.	1,011,260	4.33%
Tops Markets, LLC	733,960	3.15%
Marc Glassman, Inc.	733,830	3.15%
Riser Foods Co.	700,270	3.00%
Apria Healthcare, Inc.	<u>481,670</u>	<u>2.06%</u>
Total	<u>\$ 10,073,130</u>	<u>43.17%</u>
 Total Tangible Personal Property Assessed Valuation	 <u>\$ 23,331,004</u>	

Source: Cuyahoga County Auditor
 (1) Assessed values are for 2003

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS
 PUBLIC UTILITIES TAX
 DECEMBER 31, 2003**

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 1,483,410	4.42%
Ohio Bell Telephone Company	872,130	2.60%
East Ohio Gas Company	395,950	1.18%
American Transmission System	201,570	.60%
Ameritech Wireless	166,810	.50%
Alltell Ohio Limited Partnership	144,200	.43%
Sprintcom, Inc.	67,660	.20%
AT&T Wireless PCS	58,420	.17%
Nextel West Corporation	25,970	.08%
New Par	<u>22,610</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 2003

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
PER PUPIL COST
LAST TEN FISCAL YEARS (1)**

<u>Fiscal Year</u>	<u>Governmental Expenditures (1)</u>	<u>Average Per Student Enrollment</u>	<u>Pupil Cost</u>
2003/2004	\$ 108,596,490	6,679	\$ 16,259
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
1994/1995	63,319,811	7,133	8,877

Source: School District Financial Records

- (1) Includes other financing uses. 1999 through 2004 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
FOR THE YEAR ENDED JUNE 30, 2004**

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	143	24.61%
Master's Degree	433	74.53%
Ph.D.	<u>5</u>	<u>.86%</u>
Total	<u>581</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	77	13.25%
6 - 10	98	16.87%
11 and over	<u>406</u>	<u>69.88%</u>
	<u>581</u>	<u>100.00%</u>

Cleveland Heights-University Heights City School District

GOALS STATEMENT

THIS BOARD CONTINUES TO BE COMMITTED TO ACHIEVING “EXCELLENCE IN LEARNING THROUGH EXCELLENCE IN TEACHING” AND ENSURING QUALITY EDUCATION IN SUPPORT OF OUR COMMUNITIES’ COMMITMENT TO QUALITY INTEGRATED LIVING.

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



Cleveland Heights-University Heights City School District

A B O U T T H E C O V E R

The cover features the logos of the three small schools learning communities implemented within Cleveland Heights High School at the beginning of the 2004-2005 school year. We are very proud of this endeavor and look forward to the addition of schools four and five in August of 2005.

A B O U T T H E A R T W O R K

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



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

Single Audit Reports

June 30, 2004

Cleveland Heights – University Heights City School District

For the year ended June 30, 2004

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights – University Heights City School District (the “District”), as of and for the year ended June 30, 2004, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 9, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District’s internal control over financial reporting 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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we reported to management of the District in a separate letter dated December 9, 2004.

Board of Education
Cleveland Heights – University Heights
City School District

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

Cini & Panichi, Inc.

Cleveland, Ohio
December 9, 2004

**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 City School District
University Heights, Ohio

Compliance

We have audited the compliance of the Cleveland Heights – University Heights City 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, 2004. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District’s management. Our responsibility is to express an opinion on the District’s compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Board of Education
Cleveland Heights – University Heights
City School District

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with 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 operations 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 Cleveland Heights – University Heights City School District as of and for the year ended June 30, 2004, and have issued our report there dated December 9, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Cini & Panichi, Inc.

Cleveland, Ohio
December 9, 2004

Cleveland Heights – University Heights City School District

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2004

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	\$ -	\$ 166,276	\$ -	\$ 166,276
School Breakfast Program	10.553	05-PU-2002	22,779	-	22,779	-
School Breakfast Program	10.553	05-PU-2003	110,240	-	110,240	-
Subtotal School Breakfast Program			133,019	-	133,019	-
School Lunch Program						
	10.555	LL-P1-2004	510	-	510	-
	10.555	LL-P4-2003	151,653	-	151,653	-
	10.555	LL-P4-2004	699,565	-	699,565	-
Subtotal National School Lunch Program			851,728	-	851,728	-
Total U.S. Department of Agriculture – Nutrition Cluster			984,747	166,276	984,747	166,276
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Special Education Cluster:						
Title VI-B	84.027	6B-SF-2003P	120,108	-	69,106	-
Title VI-B	84.027	6B-SF-2004P	853,204	-	851,259	-
Subtotal Title VI-B			973,312	-	920,365	-
Special Education – Preschool Grant	84.173	PG-S1-2003P	-	-	66	-
Special Education – Preschool Grant	84.173	PG-S1-2004P	33,389	-	35,415	-
Subtotal Preschool Grant			33,389	-	35,481	-
Total Special Education Cluster			1,006,701	-	955,846	-
Adult Education – State Grant Program	84.002	AB-S1-2003	52,056	-	85,903	-
Adult Education – State Grant Program	84.002	AB-S1-2003C	30,701	-	30,701	-
Adult Education – State Grant Program	84.002	AB-S1-2004	165,867	-	161,188	-
Total Adult Education – State Grant Program			248,624	-	277,292	-
Title I	84.010	C1-S1-2003	88,769	-	66,817	-
Title I	84.010	C1-S1-2004	953,273	-	940,869	-
Total Title I			1,042,042	-	1,007,686	-
Vocational Education	84.048	20-C1-2003	35,223	-	10,082	-
Vocational Education	84.048	20-C1-2004	237,142	-	225,447	-
Total Vocational Education			272,365	-	235,529	-
Drug-Free Schools Grant	84.186	DR-S1-2003	-	-	33	-
Drug-Free Schools Grant	84.186	DR-S1-2004	27,977	-	28,217	-
Total Drug-Free Schools Grant			27,977	-	28,250	-
Technology Literacy Challenge Fund Grant	84.318	TJ-S1-2004	15,444	-	7,185	-
Even Start	84.213	EV-S1-2004	127,216	-	143,191	-
Innovative Education Program Strategy	84.298	C2-S1-2000	-	-	1,266	-
Innovative Education Program Strategy	84.298	C2-S1-2001	6,651	-	5,937	-
Innovative Education Program Strategy	84.298	C2-S1-2002	56,500	-	57,650	-
Total Innovative Education Program Strategy			63,151	-	64,853	-

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, 2004

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:						
English Language Acquisition Grant	84.365	TS-S1-2003	9,151	-	11,417	-
English Language Acquisition Grant	84.365	TS-S1-2004	11,415	-	8,755	-
Total English Language Acquisition Grant			<u>20,566</u>	<u>-</u>	<u>20,172</u>	<u>-</u>
Improving Teacher Quality State Grant	84.367	MS-S1-2003	45,530	-	21,789	-
Improving Teacher Quality State Grant	84.367	MS-S1-2004	443,248	-	495,351	-
Total Improving Teacher Quality State Grant			<u>488,778</u>	<u>-</u>	<u>517,140</u>	<u>-</u>
Safe and Drug Free Schools and Communities National Program	84.184C	T4-S1-2003	11,969	-	11,814	-
Safe and Drug Free Schools and Communities National Program	84.184C	T4-S1-2004	7,330	-	7,637	-
Total Safe and Drug Free Schools and Communities National Program			<u>19,299</u>	<u>-</u>	<u>19,451</u>	<u>-</u>
Safe and Drug Free Schools and Communities – Healthy Students Initiative	84.184L	N/A	760,237	-	897,732	-
Smaller Learning Communities	84.215L	N/A	50,000	-	50,000	-
Total U.S. Department of Education			<u>4,142,400</u>	<u>-</u>	<u>4,224,327</u>	<u>-</u>
U.S. Department of Health and Human Services:						
Passed-Through Ohio Department of Mental Retardation and Developmental Disabilities:						
MH Medicaid	93.778	N/A	738,799	-	738,799	-
Passed-Through Department of Education:						
Refugee Children School Impact Program	93.576	N/A	1,500	-	3,500	-
Total Department of Health and Human Services			<u>740,299</u>	<u>-</u>	<u>742,299</u>	<u>-</u>
Corporation for National and Community Service:						
Learn and Serve America	94.004	SV-S1-2004	2,233	-	1,963	-
Total Expenditures of Federal Awards			\$ <u>5,869,679</u>	\$ <u>166,276</u>	\$ <u>5,953,336</u>	\$ <u>166,276</u>

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, 2004

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 general purpose 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, 2004

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	Safe and Drug Free Schools – Healthy Students Initiative CFDA No. 84.184L; Improving Teacher Quality CFDA No. 84.367 MH Medicaid CFDA No. 93.778
(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.

Cleveland Heights – University Heights City School District

Schedule Of Findings (continued)
OMB Circular A-133 Section .505

JUNE 30, 2004

3. FINDINGS FOR FEDERAL AWARDS

There were no findings for federal awards to report in 2004.

Cleveland Heights – University Heights City School District

Schedule Of Prior Audit Findings
OMB Circular A-133 Section .315(B)

June 30, 2004

There were no findings for federal awards to report in 2004.

**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, 2004

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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P.O. Box 1140
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

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 18, 2005**