

Cleveland
University
Heights



City School District

E F F E C T I V E

Celebrating the
Academic Achievements
in our Schools

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

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2006

Every Student, Every Day. Some Success, Some Way.



Mary Taylor, CPA
Auditor of State

Board of Education
Cleveland Heights-University Heights City School District
2155 Miramar Blvd.
University Heights, Ohio 44188-3397

We have reviewed the *Independent Auditors' Report* of the Cleveland Heights-University Heights City School District, Cuyahoga County, prepared by Ciuni & Pinichi, Inc., for the audit period July 1, 2005 to June 30, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 24, 2007

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Introductory Section



EVAN RADIVOJEVITCH
Grade 4, Fairfax Elementary



ROBERT GILGALLON
Grade 8, Bellefaire School



YULMERE ROBINSON
Grade 1, Noble Elementary



CLEVELAND HEIGHTS -
UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT
University Heights, Ohio



**DYLAN
KUNTZ**
Grade 1
Canterbury
Elementary

Comprehensive Annual Financial Report

for the fiscal year ended June 30, 2006

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



HANNAH SMITH
Grade 2, Canterbury Elementary



AVA PRITTS
Grade 3
Canterbury
Elementary



REMY GROH
Grade 4
Canterbury
Elementary



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, 2006

Table of Contents	Page
I. Introductory Section:	
Title Page	i
Table of Contents	iii
Letter of Transmittal	vii
GFOA Certificate of Achievement	xiii
ASBO Certificate	xiv
List of Principal Officials.....	xv
Organizational Chart	xvi
Map of the District	xvii
II. Financial Section:	
Independent Auditors' Report.....	1
Management Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	21
Statement of Fund Net Assets – Proprietary Funds.....	23
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds.....	25

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2006

Table of Contents	Page
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	27
Notes to the Basic Financial Statements	29
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds – Fund Descriptions	58
Combining Balance Sheet – Nonmajor Governmental Funds	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	62
Combining Balance Sheet – Nonmajor Special Revenue Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	70
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Equity – Budget (Non-GAAP Budgetary Basis) and Actual:	
General Fund	77
Bond Retirement - Debt Service Fund	82
Permanent Improvement Fund	83
Special Trust Fund	84
Public School Support Fund	85
Other Grants Fund	86
Venture Capital – Boulevard Fund	89
District Managed Activity Fund	90
Auxiliary Services Fund	91
Motorcycle Safety Education Fund	92
Educational Management Information Systems Fund	93
Public School Preschool Grant Fund	94
One Net Ohio Communicate Fund	95
School Net Professional Development Fund	96
Textbook Subsidy Fund	97
Ohio Reads Fund	98
Summer School Subsidy Fund	99
Career Technical/Adult Education Fund	100
Alternative Schools Grant Fund	101
Extended Learning Opportunity Fund	102
Miscellaneous State Grants Fund	103
Adult Basic Education Fund	105
IDEA (Flo-Thru) Fund	106
Vocational Education Fund	108
Title III Fund	110

Cleveland Heights-University Heights City School District

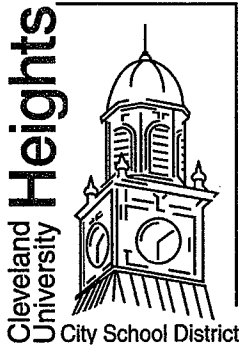
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2006

Table of Contents	Page
Chinese Refugees Fund	111
Title I Fund	112
Title V Innovative Program Fund.....	114
Drug Free Schools Fund	115
Preschool Disabilities Grant Fund	116
Title IIA -Improving Teacher Quality Fund.....	117
Miscellaneous Federal Grants Fund	118
School Net Plus Fund	120
 Nonmajor Proprietary Funds – Fund Descriptions	 122
 Combining Statement of Fund Net Assets – Nonmajor Enterprise Funds	 123
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds.....	 124
 Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	 125
 Combining Statement of Fund Net Assets – Nonmajor Internal Service Funds	 127
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets -- Nonmajor Internal Service Funds.....	 128
 Combining Statement of Cash Flows – Nonmajor Internal Service Funds.....	 129
 Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Equity – Budget (Non-GAAP Budgetary Basis) and Actual:	
 Bellefaire General Fund	 130
Food Service Fund	131
Uniform School Supplies Fund	132
Customer Services Fund	133
Community Services/Early Childhood Fund	134
Self-Insurance Fund.....	135
Workers' Compensation Fund	136
 Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	 137
 III. Statistical Section:	
 Net Assets by Component – Last Four Fiscal Years.....	 140
 Changes in Net Assets – Last Four Fiscal Years	 141
 Program Revenues by Function/Program – Last Four Fiscal Years	 144

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2006

<u>Table of Contents</u>	<u>Page</u>
Fund Balances, Governmental Funds – Last Ten Fiscal Years	145
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	146
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	148
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	149
Property Tax Levies and Collections – Real and Tangible Personal Property – Last Ten Years	150
Principal Taxpayers:	
Real Estate Tax	151
Tangible Personal Property Tax	152
Public Utilities Tax	153
Computation of Direct and Overlapping General Obligation Bonded Debt	154
Computation of Legal Debt Margin – Last Ten Years	155
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Years	156
Demographic and Economic Statistics – Last Ten Years	157
Principal Employers – Current Year	158
Building Statistics by Function/Program – Current Fiscal Year	159
Per Pupil Cost – Last Ten Fiscal Years	160
Teacher Education	161
Attendance and Graduation Rates – Last Five Fiscal Years	162
Full-time School Employees by Function – Last Two Fiscal Years	163



A. Scott Gainer
Treasurer

November 29, 2006

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

Dear Board Members and Residents:

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all school districts file annual audited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2006.

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

Ciuni & Panichi, Inc. (Certified Public Accountants and Business Advisors), have issued an unqualified ("clean") opinion on the Cleveland Heights-University Heights City School District's financial statements for the year ended June 30, 2006. The Independent Auditors' Report is located at the front of the financial section of this report.

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

Profile of the School District

The Cleveland Heights-University Heights City School District is one of 612 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 6,235 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

Local Economy

The District serves approximately 51,000 residents of the City of Cleveland Heights and approximately 14,100 residents of the City of University Heights, both inner-ring suburbs of the City of Cleveland. Both communities are primarily residential in nature, with a diverse base of residents. The proximity and easy access of the cities to major cultural, educational, and medical facilities in northeast Ohio contributes to climbing property values, a key indicator of a community's economic health and stability where the primary "industry" is housing.

The vitality of the area is also demonstrated by the new construction in both cities. Several residential condominium and townhouse projects began and/or are being continued in the City of Cleveland Heights. In the City of University Heights, construction began on the Cedar Center development project. State funding of schools, specifically for general operations, remains unclear for future years due to a series of Ohio Supreme Court decisions on the constitutionality of the present fund system. Additionally, the real property tax system in Ohio does not permit school districts to receive additional tax revenue solely as a result of reassessment or reappraisal. Consequently, the primary means of increasing revenue for the District is through additional operating tax levies. In conjunction with \$6 million in permanent budget reductions approved by the Board of Education for the 2005 fiscal year, as well as \$1 million in budget reductions for the 2007 fiscal year and the closing of an elementary school in 2008, the District anticipates an operating levy during the 2007 calendar year.

Long-Term Financial Planning

Financial Highlights - Internal Service Funds - The only internal service funds 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 funds had net assets of \$1,482,434 at June 30, 2006 compared with net assets of \$1,282,639 at June 30, 2005. The District is meeting its claim liability.

The most recent District five year forecast indicates a positive cash balance through 2008, with a \$1.5 million deficit beginning in 2009. After a period of declining elementary enrollment, the District initiated a comprehensive elementary reorganization process to address excess facility capacity and improve efficiency and effectiveness in both District operations and the delivery of instruction. The District engaged the community in the process of evaluating criteria and scenarios, and the Board of Education ultimately decided to close Coventry Elementary School in fiscal 2008. Resulting anticipated financial savings from the school closing have been included in the five year forecast, and upon a detailed review of the District's financial outlook, the District Lay Finance Committee recommended to the Board of Education an operating levy be placed on the ballot during calendar year 2007 at a yet undetermined amount of millage.

Relevant Financial Policies

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

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

The District is associated with two organizations, the Ohio Schools' Council and the Cleveland Heights-University Heights Public Library. The Ohio Schools' Council is a jointly governed organization whose relationship to the School District is described in Note 17 to the accompanying financial statements. The Cleveland Heights-University Heights Public Library is a related organization and is described in Note 22 to the accompanying financial statements.

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

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

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

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the site administrator or central office administrator and be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to the vendors. Those requests, which exceed the available appropriations, are rejected until additional appropriations are secured.

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

The District has a comprehensive cash management program, which consists of expediting receipt of revenues and prudently depositing and investing available cash balances. The available cash of the District's individual funds is combined into a single cash pool and invested according to cash flow projections.

The District invests in Certificates of Deposit, U.S. Treasury Notes, authorized Federal agency securities, 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 2006, the District earned \$1,432,840 in interest income of which \$1,295,344 was credited to the general fund.

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

Major Initiatives

The District completed implementation of the Ohio High School Transformation Initiative, which transformed Heights High - a high school serving some 2,000 students - into five small learning communities. Three of the "small schools" opened in the 2004-2005 school year and the remaining two schools opened in the 2005-2006 school year. This initiative is based on research that demonstrates that smaller schools benefit all students, from high-performing to marginally achieving. Students graduate from small schools at 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 Board and administration continue to be committed to ongoing fiscal responsibility and accountability. As indicated previously, the District engaged in a comprehensive elementary reorganization process to review the configuration and facility needs of our 8 elementary schools in an effort to be both efficient and effective. The result of this process is the closing of Coventry Elementary School beginning with the 2007-2008 school year.

Awards and Acknowledgements

Awards

The Government Finance Officers Association in the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the year ended June 30, 2005. This was the fifth 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.

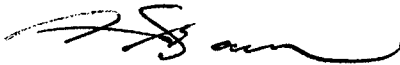
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2005. The Association's Panel of Review judged that the District's report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. This certificate is awarded upon recommendation of the Association's Panel of Review and is valid for a period of one year only.

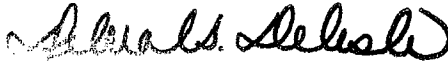
Acknowledgments

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

Respectfully submitted,



A. Scott Gainer
Chief Financial Officer



Deborah S. Delisle
Superintendent

GFOA Certificate of Achievement for 2005

Certificate of Achievement for Excellence in Financial Reporting

Presented to
Cleveland Heights-University
Heights City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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



Carla E. Perge

President

Jeffrey R. Emer

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting
is presented to
Cleveland Heights - University Heights City School District

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2005
upon recommendation of the Association's Panel of Review
which has judged that the Report substantially conforms
to principles and standards of ASBO's Certificate of Excellence Program

Melody Jovner

President

John D. Munn

Executive Director

CLEVELAND HEIGHTS -
UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT
University Heights, Ohio

Principal Officials

June 30, 2006

BOARD OF EDUCATION

Ms. Wendy Leatherberry, President
Mr. Ronald Register, Vice-President
Mr. Mark Phillips, Member
Mr. Michael Cicero, Member
Mr. Kal Zucker, Member

CHIEF FINANCIAL OFFICER

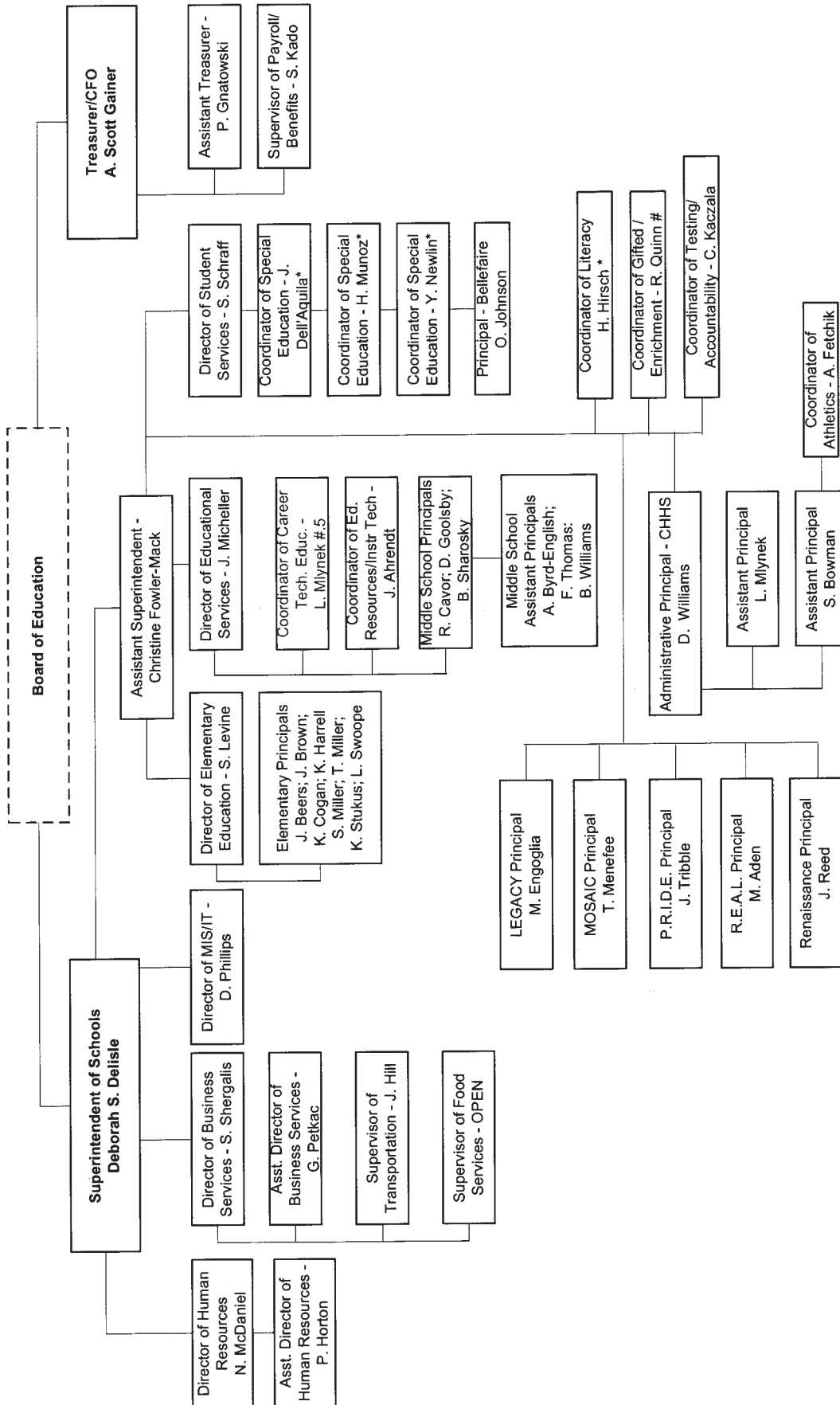
Mr. A. Scott Gainer

SUPERINTENDENT

Mrs. Deborah S. Delisle

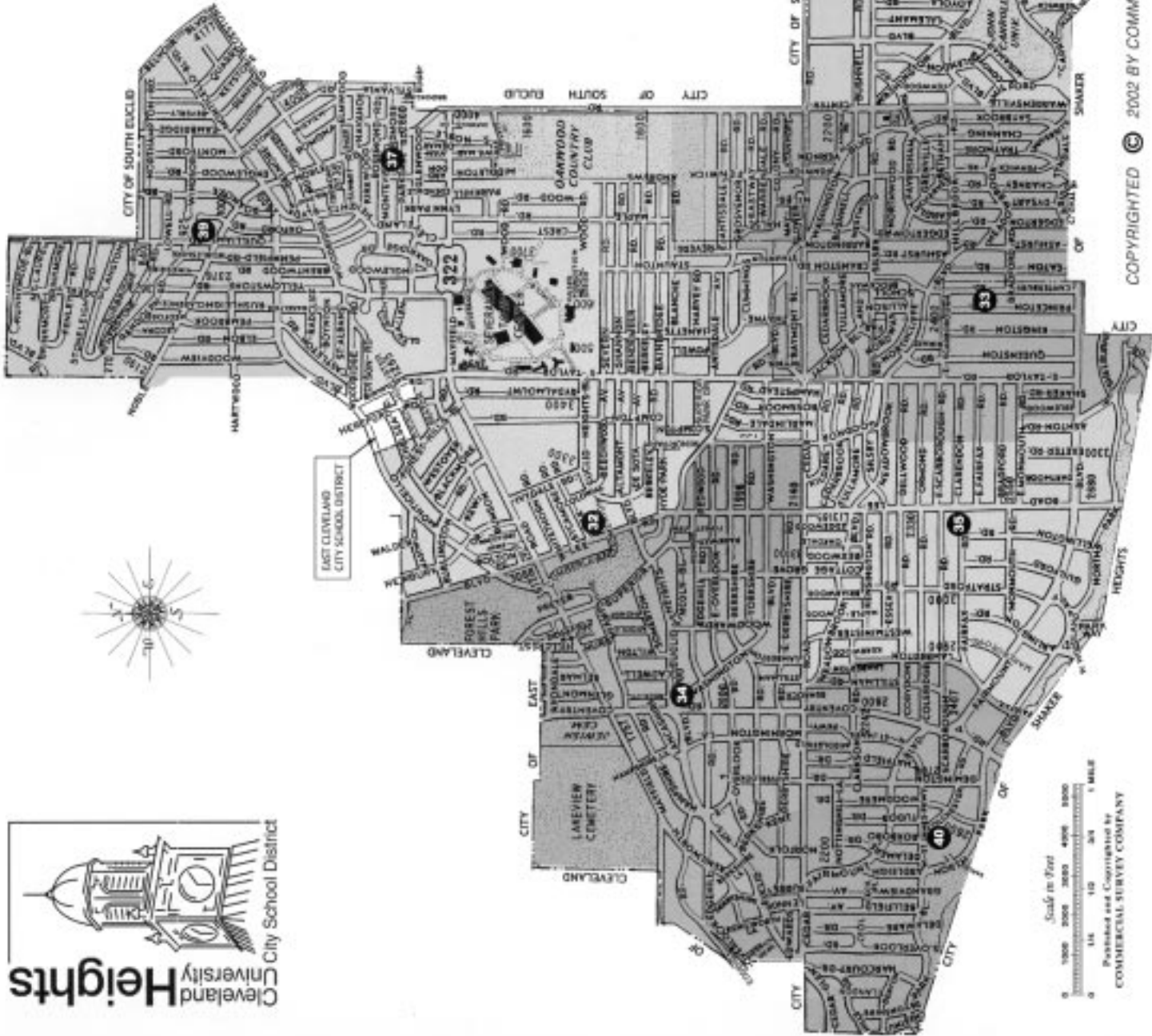


Cleveland Heights-University Heights
Board of Education
Organizational Chart for Administrators
2005-2006



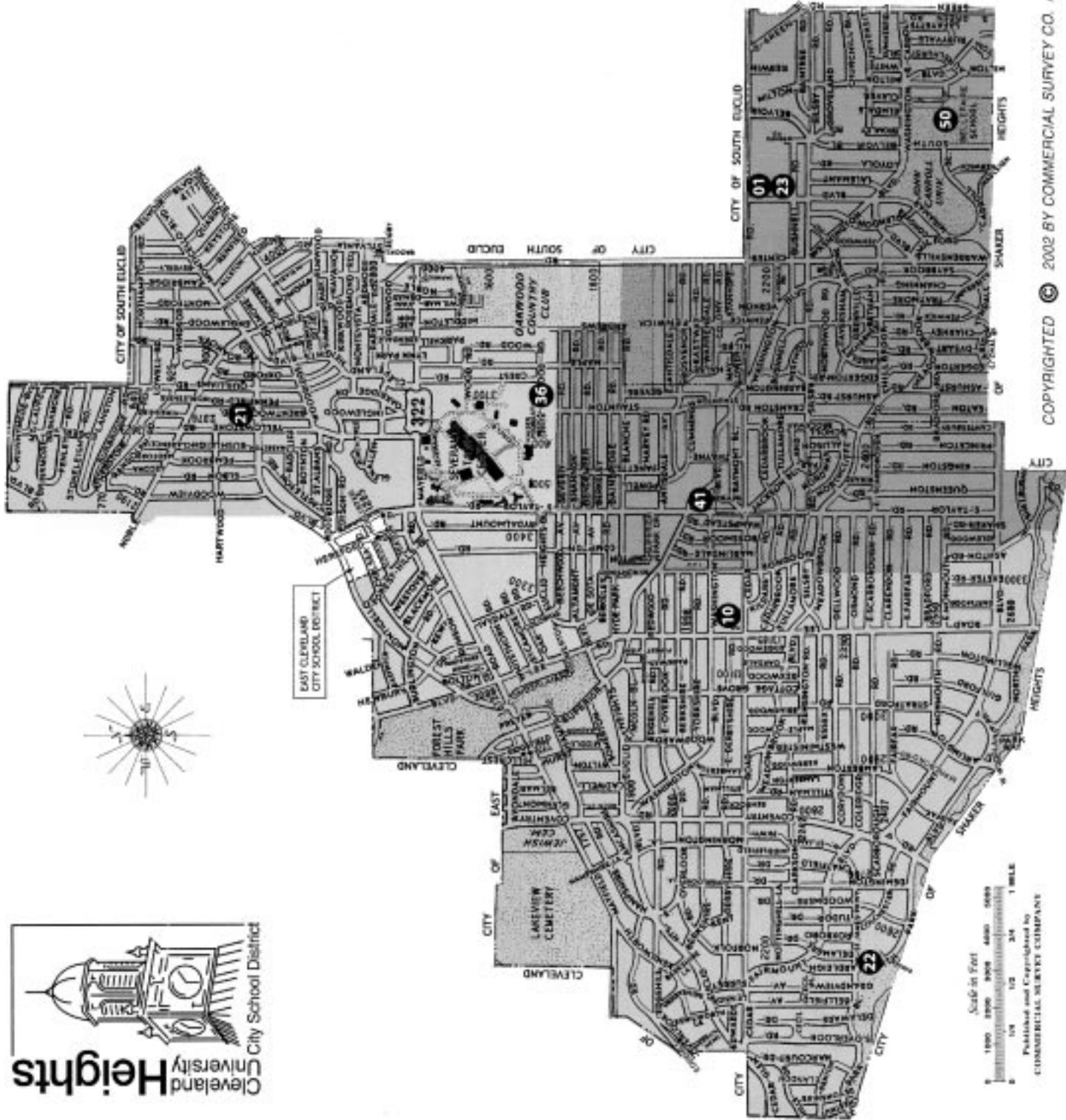
* Grant Funded
Partially funded by State of Ohio

Administrator



ELEMENTARY SCHOOLS

- 32** Boulevard Elementary School
1749 Lee Road
Cleveland Hts., OH 44118-1700
216-371-7140
- 33** Canterbury Elementary School
2530 Canterbury Road
Cleveland Hts., OH 44118-4398
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



MIDDLE SCHOOLS

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

HIGH SCHOOL

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

OTHER SITES

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

Financial Section



JENNA MOSSBARGER
Grade 3, Noble Elementary

JULIA HORTER
Grade 3, Fairfax Elementary



OLIVEEIA GRAVES
Grade 5, Noble Elementary



VIANTE FRUIT
Grade 4
Fairfax Elementary



Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights - University Heights City School District (the "District"), as of and for the years ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide 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, 2006, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2006, the District implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries," GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section," GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2006 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 read in conjunction with this report in considering the results of our audit.

Board of Education
Cleveland Heights – University Heights City School District

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

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

Cini & Parichi, Inc.

Cleveland, Ohio
November 29, 2006

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2006

Our discussion and analysis of the Cleveland Heights-University Heights City School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2006 are as follows:

In total, net assets increased \$25,457,028 which is an improvement in the District's financial position. Net assets of governmental activities increased \$25,715,249, which represents a 48% increase from 2005. Net assets of business-type activities decreased \$258,221 or 142% from 2005.

For governmental activities, general revenues and transfers accounted for \$110,357,551 in revenue or 91% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$11,190,820 or 9% of total revenues of \$121,548,371.

The District had \$95,833,122 in expenses related to governmental activities; only \$11,190,820 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$110,357,551 were able to provide for these programs resulting in an increase to net assets from \$54,086,934 to \$79,802,183.

The School District had \$5,843,514 in expenses related to business-type activities; a total of \$3,509,893 was offset by program specific charges for services, grants and contributions. Total revenues were not adequate to provide for these programs by \$258,221 resulting in a decrease to net assets from (\$181,946) to (\$440,167).

The School District's major governmental funds were the general fund, debt service fund and permanent improvement fund. The general fund had \$105,486,610 in revenues and other financing sources and \$83,685,378 in expenditures and other financing uses. The general fund balance increased \$21,801,232 from \$31,033,855 to \$52,835,087. The debt service fund had \$1,681,559 in revenues and other financing sources and \$1,501,259 in expenditures. The debt service fund balance increased \$180,300 from \$394,441 to \$574,741. The permanent improvement fund had \$4,738,029 in revenues and other financing sources and \$5,598,869 in expenditures and other financing uses. The permanent improvement fund balance decreased \$860,840 from \$6,886,682 to \$6,025,842.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2006

The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, the general fund, debt service fund and permanent improvement fund are by far the most significant funds and are reported as major funds.

Reporting the School District as a Whole

The Statement of Net Assets and Statement of Activities

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

These two statements report the District's net assets and changes in them. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 8 of the financial statements. The governmental fund financial statements begin on page 15 and provide detailed information about the major governmental funds and non-major governmental funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements. The District's major governmental funds are the general fund, debt service fund and the permanent improvement capital projects fund. The Bellefaire general rotary fund is the District's only major enterprise fund.

Governmental Funds

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

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2006

Proprietary Funds

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

Fiduciary Funds

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The District's fiduciary activities are reported in a separate statement on page 26. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

The School District as A Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2006 and 2005.

	Net Assets			
	Governmental Activities <u>2006</u>	Business-Type Activities <u>2006</u>	Governmental Activities <u>2005</u>	Business-Type Activities <u>2005</u>
Assets:				
Current assets	\$ 112,834,852	\$ (746,277)	\$ 111,381,034	\$ (381,957)
Capital assets	<u>33,325,424</u>	<u>754,143</u>	<u>30,699,754</u>	<u>787,690</u>
Total assets	<u>146,160,276</u>	<u>7,866</u>	<u>142,080,788</u>	<u>405,733</u>
Liabilities:				
Current liabilities	39,625,398	133,015	59,688,394	294,163
Long-term liabilities	<u>26,732,695</u>	<u>315,018</u>	<u>28,305,460</u>	<u>293,516</u>
Total liabilities	<u>66,358,093</u>	<u>448,033</u>	<u>87,993,854</u>	<u>587,679</u>
Net assets				
Invested in capital assets, net of debt	22,141,251	754,143	23,498,247	787,690
Restricted	6,847,735	-	7,754,288	-
Unrestricted (deficit)	<u>50,813,197</u>	<u>(1,194,310)</u>	<u>22,834,399</u>	<u>(969,636)</u>
Total net assets (deficit)	<u>\$ 79,802,183</u>	<u>\$ (440,167)</u>	<u>\$ 54,086,934</u>	<u>\$ (181,946)</u>

Total assets increased by \$3,681,621. Cash increased by \$10,567,981. Last year's cash balance of \$24,025,658, restated, included restricted assets of \$3,020,809. This year's cash balance of \$34,593,639 includes restricted assets of \$3,723,485. Increase in cash is mainly due to management's efforts to reduce expenditures. The District has also taken advantage of the increase in interest rates and has maintained an aggressive investment plan. Taxes receivable totaled \$69,223,101, of which \$32,247,286 is offset as unearned revenue, which is to be used in future periods. Taxes receivable decreased from 2005 due to an inflated estimate of anticipated property tax collection provided by the county auditor. Total capital assets increased by \$2,592,123 mainly due building improvement additions during the year. Unrestricted net assets of the District, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, increased by \$27,754,124. Overall, the financial position of the District increased positively over 2005.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2006

	Changes in Net Assets			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2006</u>	<u>2006</u>	<u>2005</u>	<u>2005</u>
Revenues:				
Program revenues:				
Charges for services	\$ 4,665,447	\$ 3,483,604	\$ 3,787,173	\$ 3,305,946
Operating grants	6,495,373	26,289	13,429,958	218,838
Capital grants	30,000	-	48,750	-
Total program revenues	<u>11,190,820</u>	<u>3,509,893</u>	<u>17,265,881</u>	<u>3,524,784</u>
General revenues:				
Property taxes	81,278,748	-	64,308,165	-
Grants and entitlements	26,687,865	2,078,400	30,581,825	2,092,967
Investment earnings	1,432,840	-	462,659	-
Miscellaneous	955,098	-	392,785	-
Total general revenues	<u>110,354,551</u>	<u>2,078,400</u>	<u>95,745,434</u>	<u>2,092,967</u>
Transfers	<u>3,000</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>110,357,551</u>	<u>2,075,400</u>	<u>95,745,434</u>	<u>2,092,967</u>
Total revenues	<u>121,548,371</u>	<u>5,585,293</u>	<u>113,011,315</u>	<u>5,617,751</u>
Program expenses:				
Instruction:				
Regular education	35,541,131	-	37,821,356	-
Special education	8,573,448	-	8,555,472	-
Vocational education	1,662,594	-	1,761,548	-
Adult/continuing education	145,191	-	257,212	-
Other	3,405,263	-	2,053,694	-
Support services:				
Pupil	9,436,509	-	9,482,769	-
Instructional staff	4,469,078	-	4,955,130	-
Board of education	530,377	-	620,020	-
Administration	6,167,949	-	6,178,788	-
Fiscal	2,019,423	-	1,990,102	-
Business	2,307,448	-	2,320,386	-
Operation and maintenance - plant	11,451,826	-	11,949,256	-
Pupil transportation	3,498,625	-	3,055,811	-
Central	2,976,522	-	2,767,128	-
Operations of non-instructional services	1,920,647	-	2,038,093	-
Extracurricular activities	1,157,041	-	1,195,101	-
Interest and fiscal charges	570,050	-	589,770	-
Food service	-	2,109,423	-	2,275,179
Uniform school supplies	-	75,620	-	86,629
Customer services	-	9,112	-	19,536
Community services/early childhood	-	821,651	-	791,388
Bellefaire general rotary	-	2,827,708	-	2,615,327
Total program expenses	<u>95,833,122</u>	<u>5,843,514</u>	<u>97,591,636</u>	<u>5,788,059</u>
Change in net assets	\$ <u>25,715,249</u>	\$ <u>(258,221)</u>	\$ <u>15,419,679</u>	\$ <u>(170,308)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2006

Governmental Activities

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

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value was increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 67 percent of revenues for governmental activities for the District in fiscal year 2006.

Instruction comprises 51 percent of governmental program expenses. Interest expense was 1 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2006 and 2005. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	<u>Total Cost of Services 2006</u>	<u>Net Cost of Services 2006</u>	<u>Total Cost of Services 2005</u>	<u>Net Cost of Services 2005</u>
Program expenses:				
Instruction	\$ 49,327,627	\$ (40,392,953)	\$ 50,449,282	\$ (37,924,442)
Support services:				
Pupil and instructional staff	13,905,587	(13,905,587)	14,437,899	(14,275,121)
Board of education, administration, fiscal and business	11,025,197	(10,962,508)	11,109,296	(11,091,790)
Operation and maintenance - plant	11,451,826	(11,343,833)	11,949,256	(11,949,256)
Pupil transportation	3,498,625	(3,405,128)	3,055,811	(3,004,496)
Central services	2,976,522	(2,912,122)	2,767,128	(2,745,376)
Operation of non-instructional services	1,920,647	(37,372)	2,038,093	2,092,132
Extracurricular activities	1,157,041	(1,112,749)	1,195,101	(837,636)
Interest and fiscal charges	570,050	(570,050)	589,770	(589,770)
Total program expenses	\$ <u>95,833,122</u>	\$ <u>(84,642,302)</u>	\$ <u>97,591,636</u>	\$ <u>(80,325,755)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2006

The dependence upon tax revenues during fiscal year 2006 for governmental activities is apparent.

Business-Type Activities

Business-type activities include Bellefaire, food service operation, uniform supplies, customer services and community services/early childhood. These programs had revenues of \$5,588,293 and expenses, including transfers - out, of \$5,846,514 for fiscal year 2006. The Bellefaire general rotary fund had expenses of \$2,827,708 and revenues of \$2,623,489. This resulted in a decrease of net assets for the fiscal year of \$204,219. The other enterprise funds had expenses, including transfers - out of \$3,018,806 and revenues of \$2,964,804. This resulted in a decrease to net assets for the fiscal year of \$54,002. Management assesses the performance of each of these funds to ensure that they are run efficiently.

The School District's Funds

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

Governmental Funds

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

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$60,602,897, an increase of \$20,271,808 in comparison with the prior year. Approximately 40 percent of this total amount (\$24,413,523) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders (\$5,358,303), 2) to pay debt service (\$276,216), 3) for property tax advances that do not represent available financial resources (\$29,580,000) or 4) for a variety of other restricted purposes (\$974,855).

The general fund is the chief operating fund of the District. The District's general fund balance increased by \$21,801,232, due to an increase in interest earnings, other revenue and property tax receipts during 2006. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

<u>Revenues</u>	2006 <u>Amount</u>	2005 <u>Amount</u>	Percentage <u>Change</u>
Taxes	\$ 75,158,670	\$ 60,961,764	23.29%
Interest earnings	1,295,344	319,578	305.33
Intergovernmental	27,476,930	30,782,689	(10.74)
Other revenue	<u>1,555,666</u>	<u>3,462,775</u>	(55.07)
Total	<u>\$ 105,486,610</u>	<u>\$ 95,526,806</u>	

The property tax revenue increased \$14,196,906 due to the result of a full year of property tax collection on the 8.5 mill levy passed in March of 2004.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2006

Interest earnings increased \$975,766. As mentioned earlier, this increase is attributable to maintaining an aggressive investment strategy where management has taken advantage of high interest rates combined with an increase in cash flow throughout the year.

Other revenue decreased \$1,907,109. This decrease is mainly due to a decrease in tuition revenue of \$2,488,173 offset by an increase in miscellaneous revenue of \$601,989. In fiscal year 2005, the District collected a significant amount of prior years' tuition from various schools outside the district. In 2006, these tuition collections returned to normal levels, causing tuition revenue to decrease from the prior year. Miscellaneous revenue increased due to a payroll tax refund of \$507,527.

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

<u>Expenditures by Function</u>	<u>2006 Amount</u>	<u>2005 Amount</u>	<u>Percentage Change</u>
Instruction	\$ 45,764,423	\$ 43,394,530	5.24%
Support services	36,611,400	35,183,245	4.20
Other non-instructional services	96,821	95,401	1.49
Extracurricular activities	896,895	950,712	(5.66)
Other expenditures	<u>315,839</u>	<u>401,061</u>	(21.25)
Total	\$ <u>83,685,378</u>	\$ <u>80,024,949</u>	

Overall, slight increases in instruction, support services and other non-instructional services increased due to a step-increase in employee wages. Other expenditures decreased 21.25 percent due to less transfers out of the general fund in the current year.

The debt service fund has a total fund balance of \$574,741, \$276,216 is reserved for the payment of debt service and \$298,525 is reserved for property tax advances that do not represent available financial resources. The net increase in fund balance during the current year in the debt service fund was \$180,300 due to the increase in property tax receipts offset by a decrease in debt payments during the year.

The permanent improvement capital projects fund has a total fund balance of \$6,025,842. \$1,972,698 is reserved for encumbrances, \$1,640,624 is reserved for property tax advances that do not represent available financial resources and \$2,412,520 was unreserved. The net decrease in fund balance during the current year was \$(860,840) due to an additional payable in the current year of \$550,000.

Proprietary Funds

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2006

General Fund Budget Information

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of fiscal year 2006, the District amended its budget to reflect the fluctuations of actual revenues received/collected. The District uses a modified site-based budgeting technique which is designed to tightly control site budgets but provide flexibility for site management.

The District's general fund budget was prepared and approved at the fund level for fiscal year 2006. During the course of fiscal 2006, the total budget was changed several times. For the general fund, final budgeted revenues and other financing sources were \$95,771,311. Actual revenues and other financing sources for fiscal year 2006 were \$95,410,842.

General fund original appropriations and other financing uses of \$89,541,410 increased to \$92,037,993 in the final budget. The actual expenditures and other financing uses for fiscal year 2006 totaled \$90,938,044, which was \$1,099,949 less than the final budget appropriations.

Capital Assets

The District had \$34,079,567 invested in capital assets net of depreciation, with \$33,325,424 attributed to government activities. Acquisition for government activities totaled \$3,628,679 and depreciation was \$951,166. The majority of the additions were represented by acquisition of building improvements. Detailed information regarding capital asset activities is included in the notes to the financial statement (Note 10).

Debt

At June 30, 2006, the District had \$19,194,990 in outstanding long-term bond debt and of this amount \$838,371 was due within one year. The District paid \$930,000 in principal on bonds outstanding. The district had capital leases of \$514,173 outstanding at June 30, 2006, with \$259,296 due within one year. The district paid \$627,334 on capital leases outstanding. Detailed information regarding long-term debt activity, capital lease obligations and notes payable activity is included in the notes to the basic financial statements (Notes 15 and 16, respectively).

Economic Factors

The District is dependent on local taxpayers. As discussed earlier, the District passed an 8.5 mill levy in March of 2004. However, as the District lost approximately \$9 million in tax collection due to prior levy defeats, the District was required to make \$6 million in permanent budget reductions. The Board of Education and administration of the District continue to exercise careful financial planning and prudent fiscal management in order to preserve the financial stability of the District.

Contacting the School District's Financial Management

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



GABBY BAQUE
Grade 6
Roxboro Middle School

ETHAN ZOLDAK
Kindergarten
Boulevard Elementary



BIONCA McMILLAN
Grade 6, Bellefaire School



MYRON JOHNSON
Grade 6, Roxboro Middle School



ERIC ALLEN HALL
Grade 5
Noble Elementary



Basic Financial Statements



GREGORI JOHNSON
Grade 3, Noble Elementary



LESLIE LUMPKIN
Grade 2, Noble Elementary



JOSEPH THUERNAGLE
Grade 1, Noble Elementary



ABBY SCOTT
Grade 1, Boulevard Elementary



Cleveland Heights-University Heights City School District

Statement of Net Assets

June 30, 2006

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 28,810,336	\$ 2,059,818	\$ 30,870,154
Accounts receivable	195,798	-	195,798
Intergovernmental receivable	4,625,487	2,881,008	7,506,495
Internal balances	5,711,128	(5,711,128)	-
Materials and supplies inventory	380,175	7,189	387,364
Inventory held for resale	-	16,836	16,836
Prepays	165,342	-	165,342
Taxes receivable	69,223,101	-	69,223,101
Restricted cash and cash equivalents	3,723,485	-	3,723,485
Nondepreciable capital assets	2,647,126	-	2,647,126
Depreciable capital assets, net	<u>30,678,298</u>	<u>754,143</u>	<u>31,432,441</u>
Total assets	<u>146,160,276</u>	<u>7,866</u>	<u>146,168,142</u>
Liabilities:			
Accounts payable	1,453,051	13,197	1,466,248
Accrued wages and benefits	1,034,428	13,278	1,047,706
Intergovernmental payable	2,962,629	106,540	3,069,169
Unearned revenue	32,247,286	-	32,247,286
Claims Payable	1,880,200	-	1,880,200
Accrued interest payable	47,804	-	47,804
Long-term liabilities:			
Due within one year	2,159,728	22,052	2,181,780
Due in more than one year	<u>24,572,967</u>	<u>292,966</u>	<u>24,865,933</u>
Total liabilities	<u>66,358,093</u>	<u>448,033</u>	<u>66,806,126</u>
Net assets:			
Invested in capital assets, net of related debt	22,141,251	754,143	22,895,394
Restricted for:			
Capital projects	2,859,173	-	2,859,173
Debt service	574,741	-	574,741
Other purposes	285,016	-	285,016
Qualified zone academy bond retirement	3,128,805	-	3,128,805
Unrestricted (deficit)	<u>50,813,197</u>	<u>(1,194,310)</u>	<u>49,618,887</u>
Total net assets (deficit)	\$ <u>79,802,183</u>	\$ <u>(440,167)</u>	\$ <u>79,362,016</u>

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

Cleveland Heights-University Heights City School District

Statement of Activities

For The Fiscal Year Ended June 30, 2006

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Instruction:				
Regular	\$ 35,541,131	\$ 527,430	\$ 2,420,203	\$ -
Special	8,573,448	3,794,648	1,801,912	-
Vocational	1,662,594	136,066	247,590	-
Adult/continuing	145,191	6,825	-	-
Other	3,405,263	-	-	-
Support services:				
Pupil	9,436,509	-	-	-
Instructional staff	4,469,078	-	-	-
Board of education	530,377	-	-	-
Administration	6,167,949	62,689	-	-
Fiscal	2,019,423	-	-	-
Business	2,307,448	-	-	-
Operations and maintenance of plant	11,451,826	-	77,993	30,000
Pupil transportation	3,498,625	93,497	-	-
Central	2,976,522	-	64,400	-
Operation of non-instructional services:				
Community services	1,920,647	-	1,883,275	-
Extracurricular activities	1,157,041	44,292	-	-
Interest and fiscal charges	<u>570,050</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>95,833,122</u>	<u>4,665,447</u>	<u>6,495,373</u>	<u>30,000</u>
Business-type activities:				
Food service	2,109,423	732,621	26,289	-
Uniform school supplies	75,620	73,253	-	-
Customer services	9,112	35,038	-	-
Community services/early childhood	821,651	784,388	-	-
Bellefaire general rotary	<u>2,827,708</u>	<u>1,858,304</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>5,843,514</u>	<u>3,483,604</u>	<u>26,289</u>	<u>-</u>
Totals	\$ <u>101,676,636</u>	\$ <u>8,149,051</u>	\$ <u>6,521,662</u>	\$ <u>30,000</u>

General revenues:
 Property taxes levies for:
 General purpose
 Debt service
 Capital projects
 Grant and entitlements not restricted to specific programs
 Investment earnings
 Miscellaneous
 Total general revenues
 Transfers
 Total general revenues and transfers
 Change in net assets
 Net assets (deficit) at beginning of year
 Net assets (deficit) at end of year

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

<u>Primary Government</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business -</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (32,593,498)	\$ -	\$ (32,593,498)
(2,976,888)	-	(2,976,888)
(1,278,938)	-	(1,278,938)
(138,366)	-	(138,366)
(3,405,263)	-	(3,405,263)
(9,436,509)	-	(9,436,509)
(4,469,078)	-	(4,469,078)
(530,377)	-	(530,377)
(6,105,260)	-	(6,105,260)
(2,019,423)	-	(2,019,423)
(2,307,448)	-	(2,307,448)
(11,343,833)	-	(11,343,833)
(3,405,128)	-	(3,405,128)
(2,912,122)	-	(2,912,122)
(37,372)	-	(37,372)
(1,112,749)	-	(1,112,749)
(570,050)	-	(570,050)
<u>(84,642,302)</u>	<u>-</u>	<u>(84,642,302)</u>
-	(1,350,513)	(1,350,513)
-	(2,367)	(2,367)
-	25,926	25,926
-	(37,263)	(37,263)
-	<u>(969,404)</u>	<u>(969,404)</u>
-	<u>(2,333,621)</u>	<u>(2,333,621)</u>
<u>(84,642,302)</u>	<u>(2,333,621)</u>	<u>(86,975,923)</u>
76,288,318	-	76,288,318
535,005	-	535,005
4,455,425	-	4,455,425
26,687,865	2,078,400	28,766,265
1,432,840	-	1,432,840
<u>955,098</u>	<u>-</u>	<u>955,098</u>
110,354,551	2,078,400	112,432,951
<u>3,000</u>	<u>(3,000)</u>	<u>-</u>
<u>110,357,551</u>	<u>2,075,400</u>	<u>112,432,951</u>
25,715,249	(258,221)	25,457,028
<u>54,086,934</u>	<u>(181,946)</u>	<u>53,904,988</u>
\$ <u>79,802,183</u>	\$ <u>(440,167)</u>	\$ <u>79,362,016</u>

Cleveland Heights-University Heights City School District

Balance Sheet - Governmental Funds

June 30, 2006

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 19,994,080	\$ 274,862	\$ 2,424,601	\$ 1,945,631	\$ 24,639,174
Taxes receivable	64,957,972	704,900	3,560,229	-	69,223,101
Accounts receivable	71,108	-	-	119,871	190,979
Intergovernmental receivable	1,746,795	-	-	2,878,692	4,625,487
Interfund receivable	7,433,940	-	-	-	7,433,940
Materials and supplies inventory	380,175	-	-	-	380,175
Restricted cash and cash equivalents	594,680	-	3,128,805	-	3,723,485
Total assets	\$ 95,178,750	\$ 979,762	\$ 9,113,635	\$ 4,944,194	\$ 110,216,341
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 720,385	\$ -	\$ 626,763	\$ 105,903	\$ 1,453,051
Accrued wages and benefits	988,011	-	-	45,982	1,033,993
Interfund payable	-	-	550,000	1,172,812	1,722,812
Intergovernmental payable	1,853,657	-	-	130,718	1,984,375
Unearned revenue	38,781,610	405,021	1,911,030	2,321,552	43,419,213
Total liabilities	42,343,663	405,021	3,087,793	3,776,967	49,613,444
Fund balances:					
Reserved for encumbrances	2,869,271	-	1,972,698	516,334	5,358,303
Reserved for inventory	380,175	-	-	-	380,175
Reserved for property taxes	27,640,851	298,525	1,640,624	-	29,580,000
Reserved for debt	-	276,216	-	-	276,216
Reserve for textbooks	594,680	-	-	-	594,680
Unreserved; undesignated for:					
General fund	21,350,110	-	-	-	21,350,110
Special revenue funds	-	-	-	648,244	648,244
Capital projects funds	-	-	2,412,520	2,649	2,415,169
Total fund balances	52,835,087	574,741	6,025,842	1,167,227	60,602,897
Total liabilities and fund balances	\$ 95,178,750	\$ 979,762	\$ 9,113,635	\$ 4,944,194	\$ 110,216,341

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

Cleveland Heights-University Heights City School District

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

June 30, 2006

Total Governmental Funds Balances \$ 60,602,897

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the Funds. 33,325,424

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

Property and other taxes	\$ 7,103,579	
Tuition	1,746,795	
Grants	<u>2,321,553</u>	
Total		11,171,927

Internal Service Funds are used by management to charge the
costs of certain activities, such as insurance to individual funds.
The assets and liabilities of the Internal Service Funds are
included in Governmental Activities in the Statement of Net
Assets. 1,482,434

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

General obligation debt	(8,524,990)	
Notes payable	(5,170,000)	
Qualified Zone Academy Bonds	(5,500,000)	
Capital leases	(514,173)	
Accrued interest payable	(47,804)	
Compensated absences	<u>(7,023,532)</u>	
Total		<u>(26,780,499)</u>

Net assets of governmental activities \$ 79,802,183

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 75,158,670	\$ 765,741	\$ 4,143,738	\$ -	\$ 80,068,149
Intergovernmental	27,476,930	74,425	456,295	7,987,195	35,994,845
Tuition and fees	563,807	-	-	-	563,807
Earnings on investments	1,295,344	-	107,996	29,500	1,432,840
Extracurricular activities	-	-	-	187,545	187,545
Classroom material and fees	-	-	-	21,612	21,612
Miscellaneous	978,178	-	30,000	514,555	1,522,733
Total revenues	<u>105,472,929</u>	<u>840,166</u>	<u>4,738,029</u>	<u>8,740,407</u>	<u>119,791,531</u>
Expenditures:					
Current:					
Instruction:					
Regular	33,381,991	-	-	1,191,213	34,573,204
Special	7,471,950	-	-	1,132,956	8,604,906
Vocational	1,498,111	-	-	172,698	1,670,809
Adult/continuing	7,758	-	-	139,904	147,662
Other instruction	3,404,613	-	-	-	3,404,613
Support services:					
Pupil	6,940,433	-	-	2,520,131	9,460,564
Instructional staff	3,302,554	-	-	1,114,051	4,416,605
Board of education	530,377	-	-	-	530,377
Administration	5,108,803	-	-	1,016,137	6,124,940
Fiscal	2,050,644	-	-	-	2,050,644
Business	2,300,101	-	-	-	2,300,101
Operations and maintenance of plant	10,420,681	-	655,395	409	11,076,485
Pupil transportation	3,289,013	-	-	58,227	3,347,240
Central	2,668,794	-	35,840	277,512	2,982,146
Operation of non-instructional Services:					
Community services	2,301	-	-	1,825,787	1,828,088
Other non-instructional services	94,520	-	-	-	94,520
Extracurricular activities	896,895	-	-	234,704	1,131,599
Capital Outlay	-	-	4,228,781	39,320	4,268,101
Debt services:					
Principal	-	930,000	-	-	930,000
Interest and fiscal charges	-	571,259	-	-	571,259
Total expenditures	<u>83,369,539</u>	<u>1,501,259</u>	<u>4,920,016</u>	<u>9,723,049</u>	<u>99,513,863</u>
Excess of revenues over (under) expenditures	<u>22,103,390</u>	<u>(661,093)</u>	<u>(181,987)</u>	<u>(982,642)</u>	<u>20,277,668</u>

Continued

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):					
Transfers - in	-	841,393	-	156,299	997,692
Refund of prior year expenditures	13,681	-	-	58,105	71,786
Transfers - out	(315,839)	-	(678,853)	-	(994,692)
Refund of prior years receipts	-	-	-	(80,646)	(80,646)
Total other financing sources (uses)	<u>(302,158)</u>	<u>841,393</u>	<u>(678,853)</u>	<u>133,758</u>	<u>(5,860)</u>
Net change in fund balance	21,801,232	180,300	(860,840)	(848,884)	20,271,808
Fund balance at beginning of year, restated	<u>31,033,855</u>	<u>394,441</u>	<u>6,886,682</u>	<u>2,016,111</u>	<u>40,331,089</u>
Fund balance at end of year	\$ <u><u>52,835,087</u></u>	\$ <u><u>574,741</u></u>	\$ <u><u>6,025,842</u></u>	\$ <u><u>1,167,227</u></u>	\$ <u><u>60,602,897</u></u>

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

Net Change in Fund Balances - Total Governmental Funds \$ 20,271,808

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

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

Capital outlay	\$	3,576,836	
Depreciation		<u>(951,166)</u>	
Total			2,625,670

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

Delinquent property and other taxes		1,210,599	
Tuition		(1,318,890)	
Intergovernmental		<u>1,584,293</u>	
Total			1,476,002

Internal Service Funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service Funds are reported with Governmental Activities.

199,795

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

1,557,334

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

Compensated absences		(416,569)	
Accrued interest		<u>1,209</u>	
Total			<u>(415,360)</u>

Change in Net Assets of Governmental Activities \$ 25,715,249

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 60,618,560	\$ 61,954,450	\$ 61,954,450	\$ -
Intergovernmental	27,805,000	28,130,000	27,750,474	(379,526)
Tuition	922,500	2,534,765	2,529,726	(5,039)
Earnings on investments	225,000	1,294,423	1,295,344	921
Miscellaneous	90,000	957,673	963,790	6,117
Total revenues	<u>89,661,060</u>	<u>94,871,311</u>	<u>94,493,784</u>	<u>(377,527)</u>
Expenditures:				
Current:				
Instruction:				
Regular	34,962,336	34,964,165	34,600,914	363,251
Special	7,865,653	7,896,719	7,875,801	20,918
Vocational education	1,603,175	1,614,965	1,585,576	29,389
Adult/continuing	-	-	10,694	(10,694)
Other	2,825,898	2,979,431	3,531,034	(551,603)
Support services:				
Pupil	7,583,232	7,597,818	7,270,562	327,256
Instructional staff	4,667,905	4,922,169	4,071,976	850,193
Board of education	877,900	878,400	734,242	144,158
Administration	5,027,837	5,042,270	5,227,030	(184,760)
Fiscal services	2,108,992	2,176,068	2,089,112	86,956
Business	2,736,358	2,686,358	2,373,180	313,178
Operation and maintenance - plant	11,686,935	11,794,094	11,797,744	(3,650)
Pupil transportation	3,095,888	3,099,641	3,374,846	(275,205)
Central services	2,594,056	2,632,945	2,658,439	(25,494)
Operation of non-instructional services:				
Community services	25,860	15,137	12,376	2,761
Other operation of non-instructional services	89,983	89,997	90,754	(757)
Extracurricular activities:				
Subject oriented activities	95,641	95,641	171,516	(75,875)
Occupation oriented activities	1,342	1,342	4,534	(3,192)
Sports activities	483,719	483,719	638,638	(154,919)
Co-curricular activities	8,700	8,700	62,023	(53,323)
Total expenditures	<u>88,341,410</u>	<u>88,979,579</u>	<u>88,180,991</u>	<u>798,588</u>
Excess of revenues over (under) expenditures	<u>1,319,650</u>	<u>5,891,732</u>	<u>6,312,793</u>	<u>421,061</u>

Continued

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Advances - in	-	900,000	902,084	2,084
Refund of prior year expenditures	-	-	14,974	14,974
Transfers - out	(400,000)	(400,000)	(315,839)	84,161
Advances - out	(500,000)	(2,441,214)	(2,441,214)	-
Refund of prior year receipts	<u>(300,000)</u>	<u>(217,200)</u>	<u>-</u>	<u>217,200</u>
Total other financing sources (uses)	<u>(1,200,000)</u>	<u>(2,158,414)</u>	<u>(1,839,995)</u>	<u>318,419</u>
Net change in fund balance	119,650	3,733,318	4,472,798	739,480
Fund balance beginning of year, restated	10,126,476	10,126,476	10,126,476	-
Prior year encumbrances appropriated	<u>2,694,507</u>	<u>2,694,507</u>	<u>2,694,507</u>	<u>-</u>
Fund balance end of year	\$ <u>12,940,633</u>	\$ <u>16,554,301</u>	\$ <u>17,293,781</u>	\$ <u>739,480</u>

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

Cleveland Heights-University Heights City School District

Statement of Fund Net Assets - Proprietary Funds

June 30, 2006

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Non-Major	Total	Activities
	General	Enterprise		Internal
	Rotary			Service
				Fund
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 1,922,914	\$ 136,904	\$ 2,059,818	\$ 4,171,162
Accounts receivable	-	-	-	4,819
Prepaid items	-	-	-	165,342
Intergovernmental receivable	2,570,591	310,417	2,881,008	-
Materials and supplies inventories	-	7,189	7,189	-
Inventory held for resale	-	16,836	16,836	-
Total current assets	<u>4,493,505</u>	<u>471,346</u>	<u>4,964,851</u>	<u>4,341,323</u>
Non-current assets:				
Capital assets, net of depreciation	<u>25,982</u>	<u>728,161</u>	<u>754,143</u>	<u>-</u>
Total assets	<u>4,519,487</u>	<u>1,199,507</u>	<u>5,718,994</u>	<u>4,341,323</u>
Liabilities:				
Current liabilities:				
Accounts payable	-	13,197	13,197	-
Accrued wages and benefits	4,057	9,221	13,278	435
Interfund payable	4,627,960	1,083,168	5,711,128	-
Intergovernmental payable	23,827	82,713	106,540	978,254
Claims payable	-	-	-	1,880,200
Current portion of accrued compensated absences	<u>16,204</u>	<u>5,848</u>	<u>22,052</u>	<u>-</u>
Total current liabilities	<u>4,672,048</u>	<u>1,194,147</u>	<u>5,866,195</u>	<u>2,858,889</u>
Non-current liabilities:				
Accrued compensated absences	<u>215,277</u>	<u>77,689</u>	<u>292,966</u>	<u>-</u>
Total liabilities	<u>4,887,325</u>	<u>1,271,836</u>	<u>6,159,161</u>	<u>2,858,889</u>
Net assets:				
Invested in capital assets	25,982	728,161	754,143	-
Unrestricted (deficit)	<u>(393,820)</u>	<u>(800,490)</u>	<u>(1,194,310)</u>	<u>1,482,434</u>
Total net assets (deficit)	\$ <u><u>(367,838)</u></u>	\$ <u><u>(72,329)</u></u>	\$ <u><u>(440,167)</u></u>	\$ <u><u>1,482,434</u></u>

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

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Non-Major	Total	Activities
	General Rotary	Enterprise		Internal Service Funds
Operating revenues:				
Intergovernmental	\$ -	\$ 26,289	\$ 26,289	\$ -
Tuition and fees	1,858,304	784,388	2,642,692	-
Charges for services	-	-	-	978,846
Classroom materials and fees	-	53,855	53,855	-
Food services	-	732,491	732,491	-
Claims	-	-	-	6,984,570
Miscellaneous	-	54,566	54,566	-
Total operating revenues	<u>1,858,304</u>	<u>1,651,589</u>	<u>3,509,893</u>	<u>7,963,416</u>
Operating expenses:				
Salaries and wages	1,678,372	1,311,501	2,989,873	39,420
Fringe benefits	592,852	509,445	1,102,297	7,641,474
Contractual services	504,848	65,398	570,246	82,727
Materials and supplies	46,658	1,099,425	1,146,083	-
Capital outlay	1,468	-	1,468	-
Depreciation	3,510	30,037	33,547	-
Total operating expenses	<u>2,827,708</u>	<u>3,015,806</u>	<u>5,843,514</u>	<u>7,763,621</u>
Operating income (loss)	<u>(969,404)</u>	<u>(1,364,217)</u>	<u>(2,333,621)</u>	<u>199,795</u>
Non-operating revenues (expenses):				
Federal donated commodities	-	45,538	45,538	-
Operating grants	765,185	1,267,677	2,032,862	-
Total non-operating revenues (expenses)	<u>765,185</u>	<u>1,313,215</u>	<u>2,078,400</u>	<u>-</u>
Income (loss) before transfers	(204,219)	(51,002)	(255,221)	199,795
Transfers - out	-	(3,000)	(3,000)	-
Change in net assets	(204,219)	(54,002)	(258,221)	199,795
Total net assets at beginning of year	<u>(163,619)</u>	<u>(18,327)</u>	<u>(181,946)</u>	<u>1,282,639</u>
Total net assets at end of year	\$ <u><u>(367,838)</u></u>	\$ <u><u>(72,329)</u></u>	\$ <u><u>(440,167)</u></u>	\$ <u><u>1,482,434</u></u>

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

Cleveland Heights-University Heights City School District

Statement of Cash Flows - Proprietary Funds

For The Fiscal Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Non-Major	Total	Activities
	General Rotary	Enterprise		Internal Service Fund
Increase in cash and cash equivalents:				
Cash flows from operating activities:				
Cash received from customers	\$ 2,952,918	\$ 1,659,505	\$ 4,612,423	\$ 6,979,751
Cash received from claims	-	-	-	978,846
Cash received from other operating sources	-	54,566	54,566	-
Cash payments for materials and supplies	(46,658)	(1,059,717)	(1,106,375)	-
Cash payments for goods and services	(515,804)	(52,201)	(568,005)	(82,727)
Cash payments to employees for services	(1,705,777)	(1,349,015)	(3,054,792)	(41,567)
Cash payments for employee benefits	(633,685)	(547,048)	(1,180,733)	-
Cash payments for claims	-	-	-	(5,090,733)
<i>Net cash provided by (used for) operating activities</i>	<u>50,994</u>	<u>(1,293,910)</u>	<u>(1,242,916)</u>	<u>2,743,570</u>
Cash flows from noncapital financing activities:				
Operating grants received	765,185	957,260	1,722,445	-
Transfers - out	-	(3,000)	(3,000)	-
Advances - in	-	750,000	750,000	-
Advances - out	-	(377,892)	(377,892)	-
<i>Net cash provided by noncapital financing</i>	<u>765,185</u>	<u>1,326,368</u>	<u>2,091,553</u>	<u>-</u>
Net increase in cash and cash equivalents	816,179	32,458	848,637	2,743,570
Cash and cash equivalents at beginning of year	<u>1,106,735</u>	<u>104,446</u>	<u>1,211,181</u>	<u>1,427,592</u>
Cash and cash equivalents at end of year	\$ <u><u>1,922,914</u></u>	\$ <u><u>136,904</u></u>	\$ <u><u>2,059,818</u></u>	\$ <u><u>4,171,162</u></u>
Non-cash noncapital financing activities:				
Federal donated commodities	\$ <u><u>-</u></u>	\$ <u><u>45,538</u></u>	\$ <u><u>45,538</u></u>	\$ <u><u>-</u></u>

Continued

Cleveland Heights-University Heights City School District

Statement of Cash Flows - Proprietary Funds (continued)

For The Fiscal Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire General Rotary	Non-Major Enterprise	Total	Activities Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (969,404)	\$ (1,364,217)	\$ (2,333,621)	\$ 199,795
Adjustments:				
Depreciation	3,510	30,037	33,547	-
Federal donated commodities	-	45,538	45,538	-
Changes in assets/liabilities:				
Decrease (increase) in accounts receivable	-	24,627	24,627	(4,819)
Increase in prepaid items	-	-	-	(165,342)
Decrease in intergovernmental receivable	1,094,614	37,855	1,132,469	-
Decrease in materials and supplies inventories	-	(4,287)	(4,287)	-
Decrease in inventory held for resale	-	(1,543)	(1,543)	-
(Decrease) increase in accounts payable	(9,488)	13,197	3,709	-
Decrease in accrued wages and benefits	(27,405)	(37,514)	(64,919)	(2,147)
Increase (decrease) in accrued compensated absences	30,253	(8,751)	21,502	-
(Decrease) increase in intergovernmental payable	(71,086)	(28,852)	(99,938)	976,583
Increase in claims payable	-	-	-	<u>1,739,500</u>
Total adjustments	<u>1,020,398</u>	<u>70,307</u>	<u>1,090,705</u>	<u>2,543,775</u>
Net cash provided by (used for) operating activities	\$ <u>50,994</u>	\$ <u>(1,293,910)</u>	\$ <u>(1,242,916)</u>	\$ <u>2,743,570</u>

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

Cleveland Heights-University Heights City School District

Statement of Fiduciary Assets and Liabilities - Fiduciary Funds

June 30, 2006

	Student Managed Activity Agency Fund
Assets:	
Equity in pooled cash and cash equivalents	\$ <u>101,028</u>
Liabilities:	
Due to students	\$ <u>101,028</u>

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

DYLAN WORLEY
Grade 1
Noble Elementary



SYDNEY BECKLES
Grade 1, Noble Elementary



**RASHEEN
BLED SOE**
Kindergarten
Noble Elementary



LAQWON
Grade 9, Bellefaire School



Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements

June 30, 2006

Note 1: Description of the School District

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education controls the District's ten instructional/support facilities staffed by 519 classified employees, 491 certificated full-time teaching personnel and approximately 44 administrators who provide services to 6,235 students and other community members.

Reporting Entity

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

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

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

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

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

The District is associated with two organizations which are defined as a jointly governed organization and a related organization. The Ohio School Council Association is a jointly governed organization and the Cleveland Heights-University Heights Library is a related organization. The jointly governed organization is presented in Note 17 and the related organization is presented in Note 22 to the basic financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 2: Summary of Significant Accounting Policies

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

A. Fund Accounting

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

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

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

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

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:

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 2: Summary of Significant Accounting Policies (continued)

A. Fund Accounting (continued)

Bellefaire General Rotary Fund - This fund provides for the purchase of services and equipment by internal persons and organizations.

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

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

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

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

B. Basis of Presentation

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

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

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

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 2: Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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

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

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

C. Basis of Accounting

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

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the exchange on which the tax is imposed takes place and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 2: Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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.

Unearned Revenue Unearned 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, 2006, but which were levied to finance fiscal year 2006 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

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

D. Budgets

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

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

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 2: Summary of Significant Accounting Policies (continued)

D. Budgets (continued)

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

E. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash and cash equivalents” on the financial statements. During fiscal year 2006, investments were limited to overnight Repurchase Agreements and the State Treasury Asset Reserve of Ohio (STAROhio).

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

The District has invested funds in STAROhio during fiscal year 2006. 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, 2006.

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 2006 amounted to \$1,295,344. The amount allocated from the other funds during fiscal year 2006 amounted to \$136,932.

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

F. Restricted Assets

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 2: Summary of Significant Accounting Policies (continued)

H. Inventory

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

I. Capital Assets

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

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

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

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

J. Interfund Transactions

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 2: Summary of Significant Accounting Policies (continued)

K. Compensated Absences

Vacation benefits are accrued as a liability in the government-wide and proprietary fund financial statements as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability in the government-wide and proprietary fund financial statements for accumulated unused vacation time when earned for all employees with more than one year of service and salary related payments, if applicable.

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

A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Accrued Liabilities and Long-term Obligations

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

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

M. Fund Balance Reserves

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 2: Summary of Significant Accounting Policies (continued)

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the 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. As of June 30, 2006, net assets restricted by enabling legislation were \$574,741 in the statement of net assets.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for adult education classes, sales for food service and uniform school supplies, and charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

P. Interfund Activity

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. During fiscal year 2006, the District had neither extraordinary items nor special items.

R. Estimates

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

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

For fiscal year 2006, the School District implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries", GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

GASB Statement No. 44 improves the understandability and usefulness of the information that the State and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 clarifies when net assets should be restricted based on enabling legislation.

GASB Statement No. 47 provides guidance to governmental employers for measuring, recognizing, and reporting liabilities and expenses/expenditures related to all termination benefits without limitation as to the period of time during which the benefits are offered.

Implementation of GASB Statement No. 42 and No. 46 did not affect the presentation of the financial statements of the School District. Implementation of GASB Statement No. 47 had the following effect on fund balances:

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance at June 30, 2005	\$ 31,441,855	\$ 394,441	\$ 6,886,682	\$ 2,040,111	\$ 40,763,089
Reclassification of early retirement incentive bonus	<u>(408,000)</u>	<u>-</u>	<u>-</u>	<u>(24,000)</u>	<u>(432,000)</u>
Fund balance at June 30, 2005, restated	\$ <u>31,033,855</u>	\$ <u>394,441</u>	\$ <u>6,886,682</u>	\$ <u>2,016,111</u>	\$ <u>40,331,089</u>

Budgetary fund balances at June 30, 2005 were restated to properly reflect the unencumbered fund balances at the end of June 30, 2005.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 4: Accountability and Compliance

A. Accountability

The following funds had deficit fund balances/net assets at June 30, 2006:

Special Revenue Funds:

Other Grants	\$ 173,871
Motorcycle Safety Education	1,040
Public School Preschool Grant	8,561
Ohio Reads	10,138
Summer School Subsidy	19,312
Alternative School Grant	21,566
Adult Basic Education	36,758
Vocational Education	16,558
Drug Free Schools	5,501

Enterprise Funds:

Bellefaire General Rotary	367,838
Food Services	668,657

The deficits in the special revenue funds are due to timing differences in accruing revenues and expenditures. The deficit in the enterprise fund is due to increased expenses. The deficits will be eliminated through increases in fees in future periods.

B. Noncompliance

The following funds had expenditures plus encumbrances in excess of final appropriations, contrary to Ohio Revised Code 5705.41 (B) and (D):

Debt Service	\$ 1,259
Special Revenue Funds:	
Other Grants	168,714
Public School Preschool Grant	10,573
Summer School Subsidy	82,182
Drug Free Schools	2,716

Note 5: Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 5: Budgetary Basis of Accounting (continued)

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	\$ 21,801,232
Revenue Accruals	(10,977,852)
Advances – in	902,084
Expenditure Accruals	(1,516,557)
Advances – out	(2,441,312)
Encumbrances	<u>(3,294,797)</u>
Budget Basis	<u>\$ 4,472,798</u>

Note 6: Deposits and Investments

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 6: Deposits and Investments (continued)

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

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

Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of District funds shall be required to pledge as security for repayment of all public moneys.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 6: Deposits and Investments (continued)

At year-end, the carrying amount of the District's deposits was \$21,444,204 and the bank balance was \$22,677,993. Of the bank balance, \$401,458 was covered by Federal depository insurance and \$22,276,535 was uninsured. \$15,000,000 was collateralized with securities held by the pledging institution's agent in the District's name and \$7,276,535 was uninsured and was collateralized with securities held by the pledging institution's trust department, not in the District's name. At fiscal year-end, the District had \$3,880 undeposited cash on hand, which is included on the balance sheet of the District as part of "equity in pooled cash and cash equivalents".

Investments

Investments are reported as fair value. As of June 30, 2006, the District had the following investments:

	<u>Fair Value</u>	<u>Maturity Date</u>
Repurchase Agreements	\$ 10,947,235	July 2006
STAROhio	<u>2,299,348</u>	July 2006
Total Portfolio	<u>\$ 13,246,583</u>	

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

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

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

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires that no more than twenty-five percent of the District's interim monies shall be invested in either commercial paper notes or bankers' acceptances. The following is the District's allocation as of June 30, 2006:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Chase	19.7%
National City	58.4%
First Merit	4.5%
STAROhio	17.4%

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 7: Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, 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 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2006 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 24 percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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, 2006, are available to finance fiscal year 2006 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, 2006, 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, 2006, was \$27,640,851 in the general fund, \$298,525 in the debt service fund, and \$1,640,624 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 2006 taxes were collected are:

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 7: Property Taxes (continued)

	2005		2006	
	<u>Second-Half Collections</u>		<u>First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,135,565,940	95.55%	\$ 1,068,833,330	95.45%
Public Utility	30,356,400	2.55%	27,878,630	2.49%
Tangible Personal Property	<u>22,495,796</u>	<u>1.90%</u>	<u>23,111,301</u>	<u>2.06%</u>
	\$ <u>1,188,418,136</u>	<u>100.00%</u>	\$ <u>1,119,823,261</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$ 129.60		\$ 129.98	

Note 8: Interfund Transactions

A. Interfund transactions for the year ended June 30, 2006 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Permanent Improvement Fund	\$ 550,000
General Fund	Nonmajor Governmental Funds	1,172,812
General Fund	Bellefaire Enterprise Funds	4,627,960
General Fund	Nonmajor Enterprise Funds	<u>1,083,168</u>
		\$ <u>7,433,940</u>

Interfund balances of \$5,711,128 on the government-wide financial statements are a result of advances for reimbursements due from operations and intrafund balances of \$1,722,812 being eliminated.

B. Interfund transfers for the year ended June 30, 2006, consisted of the following:

	<u>Amount</u>
Transfers from General Fund to:	
Debt Service	\$ 162,540
Nonmajor Governmental Funds	153,299
Transfer from Permanent Improvements to:	
Debt Service	678,853
Transfer from Nonmajor Enterprise Funds to:	
Non major Governmental Funds	<u>3,000</u>
	\$ <u>997,692</u>

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

Transfers of \$994,692 were eliminated since they were within governmental activity. These transfers were made to provide additional resources for current operations.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 9: Receivables

Receivables at June 30, 2006, 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>	
Special education - tuition	\$ 1,746,795	
Adult basic-education grant	145,893	
Idea (flo thru) grant	513,591	
Carl D. Perkins grant	49,752	
Title I grant	201,145	
Title IV grant	1,191	
Title V grant	8,018	
Early Childhood grant	38,648	
Title II-A	4,458	
Title II-D	9,774	
Learn and Serve America grant	13,500	
Safe Schools grant	1,684,513	
Smaller Learning Communities grant	<u>208,209</u>	
Total governmental activities		\$ 4,625,487
Enterprise funds:		
Bellefaire general rotary - tuition	2,570,591	
Food services	<u>310,417</u>	
Total enterprise funds		<u>2,881,008</u>
Total intergovernmental receivable		<u>\$ 7,506,495</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 10: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	<u>Balance at 6/30/05</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 6/30/06</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>1,117,606</u>	<u>665,503</u>	<u>(1,117,606)</u>	<u>665,503</u>
Total capital assets, not being depreciated	<u>3,099,229</u>	<u>665,503</u>	<u>(1,117,606)</u>	<u>2,647,126</u>
Capital assets, being depreciated:				
Land improvements	3,270,334	-	-	3,270,334
Buildings and improvements	34,514,903	3,662,302	-	38,177,205
Vehicles	3,338,310	233,165	(342,539)	3,228,936
Furniture and equipment	<u>2,742,864</u>	<u>185,315</u>	<u>-</u>	<u>2,928,179</u>
Total capital assets, being depreciated	<u>43,866,411</u>	<u>4,080,782</u>	<u>(342,539)</u>	<u>47,604,654</u>
Less accumulated depreciation:				
Land improvements	(954,572)	(62,641)	-	(1,017,213)
Buildings and Improvements	(11,973,739)	(536,863)	-	(12,510,602)
Vehicles	(1,663,966)	(203,910)	290,696	(1,577,180)
Furniture and equipment	<u>(1,673,609)</u>	<u>(147,752)</u>	<u>-</u>	<u>(1,821,361)</u>
Total accumulated depreciation	<u>(16,265,886)</u>	<u>(951,166)</u>	<u>290,696</u>	<u>(16,926,356)</u>
Total capital assets being depreciated, net	<u>27,600,525</u>	<u>3,129,616</u>	<u>(51,843)</u>	<u>30,678,298</u>
Governmental activities capital assets, net	\$ <u>30,699,754</u>	\$ <u>3,795,119</u>	\$ <u>(1,169,449)</u>	\$ <u>33,325,424</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 10: Capital Assets (continued)

	Balance at 6/30/05	Additions	Disposals	Balance at 6/30/06
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 6,274	\$ -	\$ -	\$ 6,274
Buildings and improvements	1,250,810	-	-	1,250,810
Furniture and equipment	479,288	-	-	479,288
Vehicles	<u>23,937</u>	<u>-</u>	<u>-</u>	<u>23,937</u>
Total capital assets, being depreciated	<u>1,760,309</u>	<u>-</u>	<u>-</u>	<u>1,760,309</u>
Less: accumulated depreciation:				
Land improvements	(5,531)	(125)	-	(5,656)
Buildings and improvements	(653,831)	(13,390)	-	(667,221)
Furniture and equipment	(310,997)	(18,437)	-	(329,434)
Vehicles	<u>(2,260)</u>	<u>(1,595)</u>	<u>-</u>	<u>(3,855)</u>
Total accumulated depreciation	<u>(972,619)</u>	<u>(33,547)</u>	<u>-</u>	<u>(1,006,166)</u>
Business-type activities capital assets, net	\$ <u>787,690</u>	\$ <u>(33,547)</u>	\$ <u>-</u>	\$ <u>754,143</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 390,696
Special	632
Vocational	17,586
Support services:	
Instructional staff	52,507
Administration	1,675
Fiscal	2,448
Business	25,171
Operations and maintenance of plant	274,466
Pupil transportation	156,168
Central	8,130
Community services	11,584
Extracurricular activities	<u>10,103</u>
	<u>\$ 951,166</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 11: Risk Management

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2006, 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.	Umbrella	\$3,000,000 (limit)
Indiana Insurance Co.	Property and Inland Marine	\$1,000 deductible-boilers
	Boiler and Machinery	\$25,000 deductible-property
	(Travelers)	\$30,000,000 (loss limit) \$142,198,300 blanket limit
Fidelity and Deposit Co. of Maryland	Employee Blanket Bond	\$500 deductible \$20,000 limit
Wausau Position and Treasurers'	Bond	\$20,000-\$100,000 limit

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

B. Workers Compensation

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

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. On January 1, 2006, medical, dental and vision coverage switched from premium based to self-insured.

The District is self insured for medical, dental, vision and prescription of District employees and their covered dependents. Under the program, the District is obligated for claim payments. Incurred but not reported claims of \$1,880,200 have been accrued in the self insurance internal service fund at June 30, 2006, based on an estimate from a third party administrator. Individual funds are charged for medical expenses based on an estimate of total cost for the District as prepared by the plan administrator, and are recorded as revenues of the Internal Service Fund.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 11: Risk Management (continued)

C. Employee Medical Benefits (continued)

The claims liability of \$1,880,200 reported in the fund at June 30, 2006, 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 2004, 2005, and 2006 are as follows:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
June 30, 2004	\$ 117,700	\$ 1,929,389	\$ 1,918,189	\$ 128,900
June 30, 2005	128,900	1,866,844	1,855,044	140,700
June 30, 2006	140,700	7,386,534	5,647,034	1,880,200

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 year 2006, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal years 2005 and 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005, and 2004, were \$1,960,467, \$1,896,139, and \$1,977,021, respectively; 83.66 percent has been contributed for fiscal year 2006 and 100 percent for the fiscal years 2005 and 2004.

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 12: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

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

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

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

For the fiscal years ended June 30, 2006, 2005 and 2004, plan members are required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2006, 2005, and 2004, were \$6,226,871, \$5,934,970, and \$5,959,450, respectively; 85.25 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004.

Note 13: Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 13: Postemployment Benefits (continued)

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, 2006, 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 \$444,777 for fiscal year 2006.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2005 (the latest information available), the balance in the fund was \$3.3 billion. For the year ended June 30, 2005, net health care costs by STRS were \$254,780,000 and STRS had 115,395 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.43 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay has been established at \$27,400.

However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2006fiscal year, the District paid \$692,895 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available), were \$178,221,113 and the target level was \$267.3 million. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has approximately 58,000 participants currently receiving health care benefits.

Note 14: Employee Benefits

A. 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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 14: Employee Benefits (continued)

B. Early Retirement Incentive

The District provides an Early Retirement Incentive program for retiring employees. The retirement incentive is paid in two installments in July of each year following the effective retirement date. Classified employees also receive a retirement incentive that is paid in July of the year following the date of retirement as long as the employees meet the criteria for retirement and notifies the Board on or before June 30. The payments are made from the fund in which the employees are paid.

Note 15: Long - Term Liabilities

The changes in the District's long-term obligations during fiscal year 2006 were as follows:

	Principal Outstanding 6/30/05	Additions	Deletions	Principal Outstanding at 6/30/06	Amounts Due in One Year
Governmental Activities:					
1998 \$1,400,000 Energy Conservation Bonds-7.00%	\$ 560,000	\$ -	\$ 140,000	\$ 420,000	\$ 140,000
2003 \$5,800,000 Energy Conservation Bonds-variable	5,280,000	-	530,000	4,750,000	545,000
2002 \$9,499,990 Library Improvement Bonds- variable interest rate	8,784,990	-	260,000	8,524,990	153,371
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital Lease Obligations	1,141,507	-	627,334	514,173	259,296
Compensated Absences	<u>6,606,963</u>	<u>1,619,596</u>	<u>1,203,027</u>	<u>7,023,532</u>	<u>1,062,061</u>
Total Governmental					
Long-Term Liabilities	\$ <u>27,873,460</u>	\$ <u>1,619,596</u>	\$ <u>2,760,361</u>	\$ <u>26,732,695</u>	\$ <u>2,159,728</u>
Business-Type Activities:					
Compensated Absences	\$ <u>293,516</u>	\$ <u>42,048</u>	\$ <u>20,546</u>	\$ <u>315,018</u>	\$ <u>22,052</u>

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

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

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

The legal debt margin of the District as of June 30, 2006, was \$83,703,969 with an unvoted debt margin of \$1,079,491.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 15: Long - Term Liabilities (continued)

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2006, are as follows:

	Energy Conservation Bonds			Library Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2007	\$ 685,000	\$ 154,202	\$ 839,202	\$ 153,371	\$ 395,511	\$ 548,882	\$ 1,388,084
2008	695,000	136,069	831,069	151,748	395,511	547,259	1,378,328
2009	705,000	116,746	821,746	134,871	395,511	530,382	1,352,128
2010	580,000	98,188	678,188	295,000	389,317	684,317	1,362,505
2011	595,000	37,513	632,513	310,000	376,457	686,457	1,318,970
2012-2016	1,910,000	110,101	2,020,101	1,755,000	1,657,612	3,412,612	5,432,713
2017-2021	-	-	-	2,225,000	1,178,953	3,403,953	3,403,953
2022-2026	-	-	-	2,840,000	545,759	3,385,759	3,385,759
2027	-	-	-	660,000	16,913	676,913	676,913
Total	\$ <u>5,170,000</u>	\$ <u>652,819</u>	\$ <u>5,822,819</u>	\$ <u>8,524,990</u>	\$ <u>5,351,544</u>	\$ <u>13,876,534</u>	\$ <u>19,699,35</u>

Note 16: Lease Obligations

The District has entered into capital leases for a security system and an air conditioner. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of The District has entered into capital leases for a security system and an air conditioner. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reflected as program/function expenditures in the basic financial statements. Governmental activities capital assets consisting of an air conditioning system and a security system have been capitalized in the amount of \$1,357,279. These amounts represent the present value of the future minimum lease payments at the time of acquisition less accumulated depreciation. A corresponding liability is recorded in the government-wide financial statements. Principal payments in the 2006 fiscal year totaled \$627,334. These amounts are reported as program/function expenditures of the general fund and permanent improvement capital projects fund.

The following is a schedule of the future minimum lease payments required under the capital and operating leases and the present value of the future minimum lease payments as of June 30, 2006:

	Capital Leases	Operating Lease
2007	\$ 274,271	\$ 274,424
2008	127,782	149,835
2009	127,781	138,856
2010	<u>10,648</u>	<u>138,312</u>
Total minimum lease payments	540,482	\$ <u>701,427</u>
Less: amounts representing interest	<u>(26,309)</u>	
Present value minimum capital lease payment	\$ <u>514,173</u>	

Rental expense related to operating leases for equipment totaled \$274,424 for the year ended June 30, 2006.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 17: Jointly Governed Organizations

The Ohio Schools' Council Association (Council) is a jointly governed organization among 83 school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. The Council sponsors an insurance purchasing plan in which the District participates. The Council also sponsors a workers' compensation group rating plan which is an insurance purchasing pool. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2006, the District paid \$4,687 to the Council. Financial information can be obtained by contacting Albert G. Vasek, Executive Secretary, at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 18: Set-Aside Requirements

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

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

	<u>Textbooks</u>	<u>Capital Improvements</u>
Set-Aside Reserve Balance as of June 30, 2005	\$ (25,372)	\$ -
Current Year Set-Aside Requirements	988,644	988,644
Qualifying Disbursements	<u>(368,592)</u>	<u>(6,015,883)</u>
Total	\$ <u>594,680</u>	\$ <u>(5,027,239)</u>
Set-Aside Balances Carried		
Forward to Future Years	\$ <u>594,680</u>	\$ <u>-</u>
Set-Aside Reserve Balance as of June 30, 2006	\$ <u>594,680</u>	\$ <u>-</u>

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

Note 19: Contractual Commitments

At June 30, 2006, the District's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
School improvements and renovations	\$ 218,522	\$ 73,400	\$ 145,122
Security renovations	<u>102,085</u>	<u>52,343</u>	<u>49,742</u>
Total	\$ <u>320,607</u>	\$ <u>125,743</u>	\$ <u>194,864</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2006

Note 20: Contingencies

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2006.

B. Litigation

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

Note 21: 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 22: Related Organization

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

Combining, Individual Fund, and Account Group Statements and Schedules



MARISSA LARIVIER
Grade 4, Canterbury Elementary

ANTHONY BENNETT
Grade 7, Roxboro Middle School



BRYCE GANTT
Grade 5, Canterbury Elementary

EMILY BROCK
Grade 5
Canterbury
Elementary



Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds

Fund Descriptions

June 30, 2006

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds Fund Descriptions

June 30, 2006

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

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

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.

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds Fund Descriptions

June 30, 2006

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

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.

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2006

	Nonmajor Special <u>Revenue</u>	Nonmajor Capital <u>Project</u>	Total Nonmajor Governmental <u>Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 1,932,722	\$ 12,909	\$ 1,945,631
Accounts receivable	119,871	-	119,871
Intergovernmental receivable	<u>2,878,692</u>	<u>-</u>	<u>2,878,692</u>
Total assets	<u>\$ 4,931,285</u>	<u>\$ 12,909</u>	<u>\$ 4,944,194</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 105,903	\$ -	\$ 105,903
Accrued wages and benefits	45,982	-	45,982
Interfund payable	1,172,812	-	1,172,812
Intergovernmental payable	130,718	-	130,718
Unearned revenue	<u>2,321,552</u>	<u>-</u>	<u>2,321,552</u>
Total liabilities	<u>3,776,967</u>	<u>-</u>	<u>3,776,967</u>
Fund balance:			
Reserve for encumbrances	506,074	10,260	516,334
Unreserved; undesignated	<u>648,244</u>	<u>2,649</u>	<u>650,893</u>
Total fund balance	<u>1,154,318</u>	<u>12,909</u>	<u>1,167,227</u>
Total liabilities and fund balances	<u>\$ 4,931,285</u>	<u>\$ 12,909</u>	<u>\$ 4,944,194</u>

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Capital Project</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Intergovernmental	\$ 7,987,195	\$ -	\$ 7,987,195
Earnings on investments	29,500	-	29,500
Extracurricular activities	187,545	-	187,545
Classroom materials and fees	21,612	-	21,612
Miscellaneous revenue	<u>514,555</u>	<u>-</u>	<u>514,555</u>
Total revenues	<u>8,740,407</u>	<u>-</u>	<u>8,740,407</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,191,213	-	1,191,213
Special	1,132,956	-	1,132,956
Vocational	172,698	-	172,698
Adult/continuing	139,904	-	139,904
Support services:			
Pupil	2,472,007	48,124	2,520,131
Instructional staff	1,114,051	-	1,114,051
Administration	1,016,137	-	1,016,137
Operations and maintenance of plant	409	-	409
Pupil transportation	58,227	-	58,227
Central	277,512	-	277,512
Operation of non-instructional services:			
Community services	1,825,787	-	1,825,787
Extracurricular activities	234,704	-	234,704
Capital Outlay	<u>39,320</u>	<u>-</u>	<u>39,320</u>
Total expenditures	<u>9,674,925</u>	<u>48,124</u>	<u>9,723,049</u>
Excess of revenues over (under) expenditures	<u>(934,518)</u>	<u>(48,124)</u>	<u>(982,642)</u>

Continued

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Capital Project</u>	<u>Total Nonmajor Governmental Funds</u>
Other financing sources (uses):			
Transfers - in	156,299	-	156,299
Refund of prior years expenditures	58,105	-	58,105
Refund of prior years receipts	<u>(80,646)</u>	<u>-</u>	<u>(80,646)</u>
Total other financing sources (uses)	<u>133,758</u>	<u>-</u>	<u>133,758</u>
Net change in fund balance	(800,760)	(48,124)	(848,884)
Fund balance at beginning of year, restated	<u>1,955,078</u>	<u>61,033</u>	<u>2,016,111</u>
Fund balance at end of year	\$ <u><u>1,154,318</u></u>	\$ <u><u>12,909</u></u>	\$ <u><u>1,167,227</u></u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2006

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Venture Capital - Boulevard</u>	<u>District Managed Activity</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 352,170	\$ 130,622	\$ 47,850	\$ 58	\$ 65,784
Accounts receivable	-	-	119,871	-	-
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ 352,170</u>	<u>\$ 130,622</u>	<u>\$ 167,721</u>	<u>\$ 58</u>	<u>\$ 65,784</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 8,747	\$ -	\$ -
Accrued wages and benefits	-	-	12,462	-	-
Interfund payable	-	-	279,975	-	-
Intergovernmental payable	-	-	40,408	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>341,592</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserve for encumbrances	-	17,786	37,529	-	9,256
Unreserved; undesignated (deficit)	<u>352,170</u>	<u>112,836</u>	<u>(211,400)</u>	<u>58</u>	<u>56,528</u>
Total fund balances (deficit)	<u>352,170</u>	<u>130,622</u>	<u>(173,871)</u>	<u>58</u>	<u>65,784</u>
Total liabilities and fund balances	<u>\$ 352,170</u>	<u>\$ 130,622</u>	<u>\$ 167,721</u>	<u>\$ 58</u>	<u>\$ 65,784</u>

<u>Auxiliary Services</u>	<u>Motorcycle Safety Education</u>	<u>Educational Management Information System</u>	<u>Public School Preschool Grant</u>	<u>One Net Communique</u>	<u>School Net Professional Development</u>
\$ 542,865	\$ 431	\$ 43,096	\$ -	\$ 4,370	\$ 1,313
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 542,865</u>	<u>\$ 431</u>	<u>\$ 43,096</u>	<u>\$ -</u>	<u>\$ 4,370</u>	<u>\$ 1,313</u>
\$ 27,721	\$ -	\$ -	\$ -	\$ 1,690	\$ -
12,000	-	3,735	-	-	-
-	-	-	8,561	-	-
2,069	1,471	12,111	-	-	-
-	-	-	-	-	-
<u>41,790</u>	<u>1,471</u>	<u>15,846</u>	<u>8,561</u>	<u>1,690</u>	<u>-</u>
106,232	-	-	-	2,680	-
<u>394,843</u>	<u>(1,040)</u>	<u>27,250</u>	<u>(8,561)</u>	<u>-</u>	<u>1,313</u>
<u>501,075</u>	<u>(1,040)</u>	<u>27,250</u>	<u>(8,561)</u>	<u>2,680</u>	<u>1,313</u>
<u>\$ 542,865</u>	<u>\$ 431</u>	<u>\$ 43,096</u>	<u>\$ -</u>	<u>\$ 4,370</u>	<u>\$ 1,313</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2006

	<u>Textbook Subsidy</u>	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,602	\$ 22,991	\$ -	\$ 2,314
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total assets	<u>\$ 1,602</u>	<u>\$ 22,991</u>	<u>\$ -</u>	<u>\$ 2,314</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ 10,000	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Interfund payable	-	23,129	19,312	-
Intergovernmental payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>33,129</u>	<u>19,312</u>	<u>-</u>
Fund balances:				
Reserve for encumbrances	-	12,991	-	-
Unreserved; undesignated (deficit)	<u>1,602</u>	<u>(23,129)</u>	<u>(19,312)</u>	<u>2,314</u>
Total fund balances (deficit)	<u>1,602</u>	<u>(10,138)</u>	<u>(19,312)</u>	<u>2,314</u>
Total liabilities and fund balances	<u>\$ 1,602</u>	<u>\$ 22,991</u>	<u>\$ -</u>	<u>\$ 2,314</u>

<u>Alternative School Grant</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>
\$ -	\$ 4,358	\$ 48,210	\$ 1,284	\$ 311,208	\$ 6,313
-	-	-	-	-	-
-	-	-	145,893	513,591	49,752
<u>\$ -</u>	<u>\$ 4,358</u>	<u>\$ 48,210</u>	<u>\$ 147,177</u>	<u>\$ 824,799</u>	<u>\$ 56,065</u>
\$ -	\$ -	\$ -	\$ -	\$ 19,307	\$ 6,750
-	-	-	3,949	13,296	220
21,566	-	33,646	45,431	-	12,509
-	-	-	14,223	49,107	3,392
-	-	-	120,332	513,591	49,752
<u>21,566</u>	<u>-</u>	<u>33,646</u>	<u>183,935</u>	<u>595,301</u>	<u>72,623</u>
-	-	37	1,284	43,715	6,442
<u>(21,566)</u>	<u>4,358</u>	<u>14,527</u>	<u>(38,042)</u>	<u>185,783</u>	<u>(23,000)</u>
<u>(21,566)</u>	<u>4,358</u>	<u>14,564</u>	<u>(36,758)</u>	<u>229,498</u>	<u>(16,558)</u>
<u>\$ -</u>	<u>\$ 4,358</u>	<u>\$ 48,210</u>	<u>\$ 147,177</u>	<u>\$ 824,799</u>	<u>\$ 56,065</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2006

	<u>Title III</u>	<u>Chinese Refugees</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,340	\$ 115	\$ 49,702	\$ 1,813
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	-	201,145	8,018
Total assets	<u>\$ 4,340</u>	<u>\$ 115</u>	<u>\$ 250,847</u>	<u>\$ 9,831</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 16,376	\$ -
Accrued wages and benefits	-	-	61	-
Interfund payable	4,314	-	141,549	4,502
Intergovernmental payable	-	-	563	-
Unearned revenue	-	-	73,961	4,322
Total liabilities	<u>4,314</u>	<u>-</u>	<u>232,510</u>	<u>8,824</u>
Fund balances:				
Reserve for encumbrances	5	-	33,326	1,813
Unreserved; undesignated (deficit)	<u>21</u>	<u>115</u>	<u>(14,989)</u>	<u>(806)</u>
Total fund balances (deficit)	<u>26</u>	<u>115</u>	<u>18,337</u>	<u>1,007</u>
Total liabilities and fund balances	<u>\$ 4,340</u>	<u>\$ 115</u>	<u>\$ 250,847</u>	<u>\$ 9,831</u>

<u>Drug Free Schools</u>	<u>Preschool Disabilities Grant</u>	<u>Title IIA Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 11,221	\$ 1,761	\$ 34,551	\$ 242,380	\$ 1,932,722
-	-	-	-	119,871
<u>1,191</u>	<u>38,648</u>	<u>4,458</u>	<u>1,915,996</u>	<u>2,878,692</u>
\$ <u><u>12,412</u></u>	\$ <u><u>40,409</u></u>	\$ <u><u>39,009</u></u>	\$ <u><u>2,158,376</u></u>	\$ <u><u>4,931,285</u></u>
\$ -	\$ -	\$ -	\$ 15,312	\$ 105,903
-	56	-	203	45,982
16,722	-	16,932	544,664	1,172,812
-	183	-	7,191	130,718
<u>1,191</u>	<u>38,648</u>	<u>4,458</u>	<u>1,515,297</u>	<u>2,321,552</u>
<u>17,913</u>	<u>38,887</u>	<u>21,390</u>	<u>2,082,667</u>	<u>3,776,967</u>
1,130	-	4,780	227,068	506,074
<u>(6,631)</u>	<u>1,522</u>	<u>12,839</u>	<u>(151,359)</u>	<u>648,244</u>
<u>(5,501)</u>	<u>1,522</u>	<u>17,619</u>	<u>75,709</u>	<u>1,154,318</u>
\$ <u><u>12,412</u></u>	\$ <u><u>40,409</u></u>	\$ <u><u>39,009</u></u>	\$ <u><u>2,158,376</u></u>	\$ <u><u>4,931,285</u></u>

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	Special Trust	Public School Support	Other Grants	Venture Capital - Boulevard	District Managed Activity
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 4,600	\$ -	\$ -
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	143,253	-	-	44,292
Classroom materials and fees	-	21,612	-	-	-
Miscellaneous	<u>38,747</u>	<u>18,189</u>	<u>429,001</u>	<u>-</u>	<u>5,614</u>
Total revenues	<u>38,747</u>	<u>183,054</u>	<u>433,601</u>	<u>-</u>	<u>49,906</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	247,236	466,964	-	-
Special	-	2,644	1,235	-	-
Vocational	-	-	4,668	-	-
Adult/continuing	-	-	-	-	-
Support services:					
Pupil	904	-	9,222	-	-
Instructional staff	325	2,557	650	-	-
Administration	-	-	497,098	-	-
Operations and maintenance of plant	-	-	409	-	-
Pupil transportation	-	-	1,541	-	-
Central	48,664	-	-	-	-
Operation of non-instructional services:					
Community service	2,500	-	923	-	394
Extracurricular activities	1,800	-	1,999	-	230,905
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>54,193</u>	<u>252,437</u>	<u>984,709</u>	<u>-</u>	<u>231,299</u>
Excess of revenues over (under) expenditures	<u>(15,446)</u>	<u>(69,383)</u>	<u>(551,108)</u>	<u>-</u>	<u>(181,393)</u>
Other financing sources (uses):					
Transfers - in	-	3,000	-	-	153,143
Refund of prior year expenditures	51,024	-	-	-	-
Refund of prior years receipt	<u>-</u>	<u>-</u>	<u>(4,247)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>51,024</u>	<u>3,000</u>	<u>(4,247)</u>	<u>-</u>	<u>153,143</u>
Net change in fund balance	35,578	(66,383)	(555,355)	-	(28,250)
Fund balance (deficit) at beginning of year, restated	<u>316,592</u>	<u>197,005</u>	<u>381,484</u>	<u>58</u>	<u>94,034</u>
Fund balance (deficit) at end of year	<u>\$ 352,170</u>	<u>\$ 130,622</u>	<u>\$ (173,871)</u>	<u>\$ 58</u>	<u>\$ 65,784</u>

<u>Auxiliary Services</u>	<u>Motorcycle Safety Education</u>	<u>Educational Management Information System</u>	<u>Public School Preschool Grant</u>	<u>One Net Communique</u>	<u>School Net Professional Development</u>
\$ 1,883,275	\$ -	\$ 22,400	\$ 144,855	\$ 42,000	\$ 3,924
29,500	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,912,775</u>	<u>-</u>	<u>22,400</u>	<u>144,855</u>	<u>42,000</u>	<u>3,924</u>
-	-	-	47,783	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,147
-	13	-	73,349	-	-
-	-	-	21,511	-	-
-	-	-	-	-	-
-	-	-	2,455	-	-
-	-	100,816	-	-	-
1,672,035	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	39,320	-
<u>1,672,035</u>	<u>13</u>	<u>100,816</u>	<u>145,098</u>	<u>39,320</u>	<u>3,147</u>
<u>240,740</u>	<u>(13)</u>	<u>(78,416)</u>	<u>(243)</u>	<u>2,680</u>	<u>777</u>
-	-	-	-	-	-
-	7,081	-	-	-	-
<u>(39,371)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,258)</u>
<u>(39,371)</u>	<u>7,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,258)</u>
201,369	7,068	(78,416)	(243)	2,680	(8,481)
<u>299,706</u>	<u>(8,108)</u>	<u>105,666</u>	<u>(8,318)</u>	<u>-</u>	<u>9,794</u>
\$ <u>501,075</u>	\$ <u>(1,040)</u>	\$ <u>27,250</u>	\$ <u>(8,561)</u>	\$ <u>2,680</u>	\$ <u>1,313</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, 2006

	Textbook Subsidy	Ohio Reads	Summer School Subsidy	Career Technical/ Adult Education
Revenues:				
Intergovernmental	\$ -	\$ 31,493	\$ -	\$ 523
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>31,493</u>	<u>-</u>	<u>523</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	23,094	614	-
Special	-	273	81,056	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Support services:				
Pupil	-	1,115	-	-
Instructional staff	-	466	-	-
Administration	-	14,857	-	-
Operations and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Community service	-	-	-	-
Extracurricular activities	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>39,805</u>	<u>81,670</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(8,312)</u>	<u>(81,670)</u>	<u>523</u>
Other financing sources (uses):				
Transfers - in	-	-	-	-
Refund of prior year expenditures	-	-	-	-
Refund of prior year receipts	-	(994)	(1,469)	(244)
Total other financing sources (uses)	<u>-</u>	<u>(994)</u>	<u>(1,469)</u>	<u>(244)</u>
Net change in fund balance	-	(9,306)	(83,139)	279
Fund balance (deficit) at beginning of year, restated	<u>1,602</u>	<u>(832)</u>	<u>63,827</u>	<u>2,035</u>
Fund balance (deficit) at end of year	\$ <u><u>1,602</u></u>	\$ <u><u>(10,138)</u></u>	\$ <u><u>(19,312)</u></u>	\$ <u><u>2,314</u></u>

<u>Alternative School Grant</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>
\$ 173,913	\$ -	\$ -	\$ 220,664	\$ 1,660,927	\$ 247,452
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>173,913</u>	<u>-</u>	<u>-</u>	<u>220,664</u>	<u>1,660,927</u>	<u>247,452</u>
-	-	-	-	-	-
-	-	12,411	-	369,176	-
-	-	-	-	-	168,030
-	-	-	139,904	-	-
184,915	-	-	-	141,822	82,152
-	-	1,083	99,510	709,795	8,274
-	-	-	-	396,656	-
-	-	-	-	-	-
-	-	-	-	40,565	1,270
-	-	-	-	-	7,374
-	-	-	-	55,852	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>184,915</u>	<u>-</u>	<u>13,494</u>	<u>239,414</u>	<u>1,713,866</u>	<u>267,100</u>
<u>(11,002)</u>	<u>-</u>	<u>(13,494)</u>	<u>(18,750)</u>	<u>(52,939)</u>	<u>(19,648)</u>
-	-	-	-	-	156
-	-	-	-	-	-
<u>(5,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,468)</u>
<u>(5,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,312)</u>
(16,518)	-	(13,494)	(18,750)	(52,939)	(37,960)
<u>(5,048)</u>	<u>4,358</u>	<u>28,058</u>	<u>(18,008)</u>	<u>282,437</u>	<u>21,402</u>
\$ <u>(21,566)</u>	\$ <u>4,358</u>	\$ <u>14,564</u>	\$ <u>(36,758)</u>	\$ <u>229,498</u>	\$ <u>(16,558)</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, 2006

	<u>Title III</u>	<u>Chinese Refugees</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
Revenues:				
Intergovernmental	\$ 25,223	\$ 1,250	\$ 1,126,499	\$ 24,410
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees	-	-	-	-
Miscellaneous	-	-	23,004	-
Total revenues	<u>25,223</u>	<u>1,250</u>	<u>1,149,503</u>	<u>24,410</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	129,730	-
Special	-	-	659,894	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Support services:				
Pupil	22,988	1,271	90,920	12,957
Instructional staff	-	-	133,194	-
Administration	-	-	86,015	-
Operations and maintenance of plant	-	-	-	-
Pupil transportation	986	-	11,410	-
Central	-	-	-	-
Operation of non-instructional services:				
Community service	-	-	74,597	7,727
Extracurricular activities	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>23,974</u>	<u>1,271</u>	<u>1,185,760</u>	<u>20,684</u>
Excess of revenues over (under) expenditures	<u>1,249</u>	<u>(21)</u>	<u>(36,257)</u>	<u>3,726</u>
Other financing sources (uses):				
Transfers - in	-	-	-	-
Refund of prior year expenditures	-	-	-	-
Refund of prior year receipts	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,249	(21)	(36,257)	3,726
Fund balance (deficit) at beginning of year, restated	<u>(1,223)</u>	<u>136</u>	<u>54,594</u>	<u>(2,719)</u>
Fund balance (deficit) at end of year	\$ <u>26</u>	\$ <u>115</u>	\$ <u>18,337</u>	\$ <u>1,007</u>

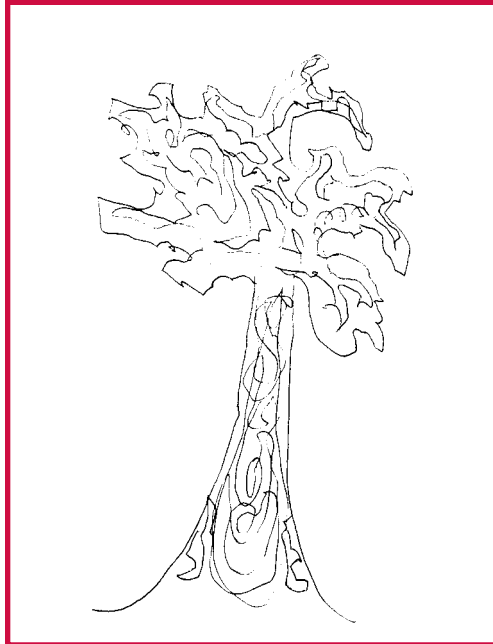
Cleveland Heights-University Heights City School District

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

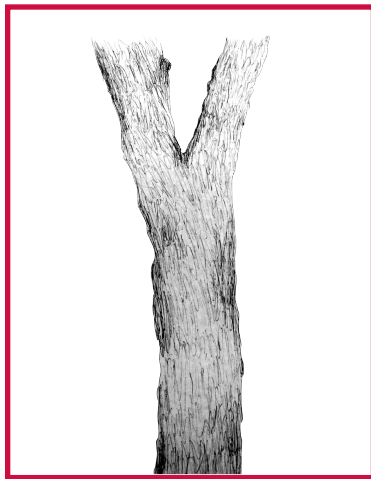
For The Fiscal Year Ended June 30, 2006

<u>Drug Free Schools</u>	<u>Preschool Disabilities Grant</u>	<u>Title IIA Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 40,599	\$ 42,521	\$ 282,671	\$ 2,007,996	\$ 7,987,195
-	-	-	-	29,500
-	-	-	-	187,545
-	-	-	-	21,612
-	-	-	-	514,555
<u>40,599</u>	<u>42,521</u>	<u>282,671</u>	<u>2,007,996</u>	<u>8,740,407</u>
6,821	-	212,292	56,679	1,191,213
-	5,407	-	860	1,132,956
-	-	-	-	172,698
-	-	-	-	139,904
37,699	37,369	-	1,845,526	2,472,007
-	-	67,573	17,262	1,114,051
-	-	-	-	1,016,137
-	-	-	-	409
-	-	-	-	58,227
-	-	-	120,658	277,512
3,741	-	4,983	3,035	1,825,787
-	-	-	-	234,704
-	-	-	-	39,320
<u>48,261</u>	<u>42,776</u>	<u>284,848</u>	<u>2,044,020</u>	<u>9,674,925</u>
<u>(7,662)</u>	<u>(255)</u>	<u>(2,177)</u>	<u>(36,024)</u>	<u>(934,518)</u>
-	-	-	-	156,299
-	-	-	-	58,105
-	-	-	(1,079)	(80,646)
-	-	-	(1,079)	133,758
(7,662)	(255)	(2,177)	(37,103)	(800,760)
<u>2,161</u>	<u>1,777</u>	<u>19,796</u>	<u>112,812</u>	<u>1,955,078</u>
\$ <u>(5,501)</u>	\$ <u>1,522</u>	\$ <u>17,619</u>	\$ <u>75,709</u>	\$ <u>1,154,318</u>

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

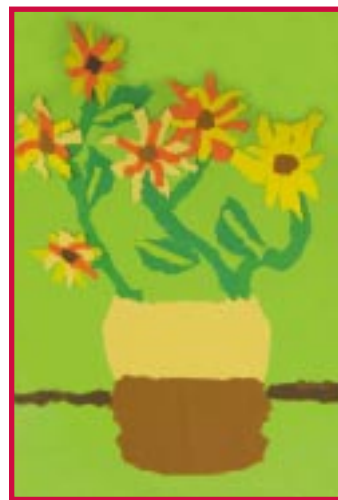


MATTHEW FLOWERS
Grade 4, Boulevard Elementary



ABE MENDES
Grade 4, Coventry Elementary

SYDNEY KEYES
Grade 5, Coventry Elementary



FRANCES KRUPKIN
*Grade 5
Fairfax Elementary*



Cleveland Heights-University Heights City School District

General Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 60,618,560	\$ 61,954,450	\$ 61,954,450	\$ -
Intergovernmental	27,805,000	28,130,000	27,750,474	(379,526)
Tuition and fees	922,500	2,534,765	2,529,726	(5,039)
Earnings on investments	225,000	1,294,423	1,295,344	921
Miscellaneous	<u>90,000</u>	<u>957,673</u>	<u>963,790</u>	<u>6,117</u>
Total revenues	<u>89,661,060</u>	<u>94,871,311</u>	<u>94,493,784</u>	<u>(377,527)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	25,485,285	25,485,285	25,486,843	(1,558)
Employee benefits	8,773,348	8,773,348	8,472,859	300,489
Purchased services	236,394	228,447	182,057	46,390
Supplies and materials	400,747	400,045	389,106	10,939
Capital outlay	39,072	50,120	45,423	4,697
Other	<u>27,490</u>	<u>26,920</u>	<u>24,626</u>	<u>2,294</u>
Total regular	<u>34,962,336</u>	<u>34,964,165</u>	<u>34,600,914</u>	<u>363,251</u>
Special:				
Salaries and wages	5,484,485	5,494,946	5,537,496	(42,550)
Employee benefits	2,181,929	2,182,748	2,138,260	44,488
Purchased services	105,868	120,740	114,169	6,571
Supplies and materials	53,509	64,075	52,238	11,837
Capital outlay	37,312	30,689	30,157	532
Other	<u>2,550</u>	<u>3,521</u>	<u>3,481</u>	<u>40</u>
Total special	<u>7,865,653</u>	<u>7,896,719</u>	<u>7,875,801</u>	<u>20,918</u>
Vocational education:				
Salaries and wages	1,132,395	1,132,395	1,145,638	(13,243)
Employee benefits	425,786	425,786	399,722	26,064
Purchased services	2,115	9,562	3,484	6,078
Supplies and materials	37,659	39,030	30,708	8,322
Capital outlay	5,045	8,017	5,924	2,093
Other	<u>175</u>	<u>175</u>	<u>100</u>	<u>75</u>
Total vocational education	<u>1,603,175</u>	<u>1,614,965</u>	<u>1,585,576</u>	<u>29,389</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult/continuing:				
Salaries and wages	-	-	8,290	(8,290)
Employee benefits	-	-	2,404	(2,404)
Total adult/continuing	-	-	10,694	(10,694)
Other:				
Salaries and wages	-	61,760	544,128	(482,368)
Retirement and benefits	-	9,960	221,780	(211,820)
Purchased services	2,825,898	2,825,898	2,643,275	182,623
Supplies and materials	-	81,813	77,538	4,275
Other	-	-	44,313	(44,313)
Total other	2,825,898	2,979,431	3,531,034	(551,603)
Total instruction	47,257,062	47,455,280	47,604,019	(148,739)
Supporting services:				
Pupils:				
Salaries and wages	5,208,879	5,204,460	5,124,989	79,471
Employee benefits	1,948,182	1,945,965	1,784,068	161,897
Purchased services	328,255	335,613	291,777	43,836
Supplies and materials	73,612	88,085	52,052	36,033
Capital outlay	22,054	21,602	16,517	5,085
Other	2,250	2,093	1,159	934
Total pupils	7,583,232	7,597,818	7,270,562	327,256
Instructional staff:				
Salaries and wages	2,182,843	2,272,270	1,863,897	408,373
Employee benefits	899,004	903,814	673,220	230,594
Purchased services	262,140	337,065	240,015	97,050
Supplies and materials	1,191,820	1,289,087	1,214,977	74,110
Capital outlay	117,459	104,499	65,885	38,614
Other	14,639	15,434	13,982	1,452
Total instructional staff	4,667,905	4,922,169	4,071,976	850,193
Board of education:				
Salaries and wages	-	-	16,805	(16,805)
Employee benefits	254,050	254,050	217,267	36,783
Purchased services	611,850	611,702	490,497	121,205
Supplies and materials	4,500	4,500	1,555	2,945
Other	7,500	8,148	8,118	30
Total board of education	877,900	878,400	734,242	144,158

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Salaries and wages	3,174,066	3,174,066	3,375,863	(201,797)
Employee benefits	1,282,315	1,282,315	1,337,984	(55,669)
Purchased services	168,479	163,194	132,368	30,826
Supplies and materials	217,585	265,887	269,027	(3,140)
Capital outlay	136,623	108,374	78,920	29,454
Other	48,769	48,434	32,868	15,566
Total administration	<u>5,027,837</u>	<u>5,042,270</u>	<u>5,227,030</u>	<u>(184,760)</u>
Fiscal services:				
Salaries and wages	518,841	518,841	589,461	(70,620)
Employee benefits	236,433	236,433	239,070	(2,637)
Purchased services	350,718	347,743	190,108	157,635
Supplies and materials	38,000	36,092	32,691	3,401
Capital outlay	40,000	40,060	39,484	576
Other	925,000	996,899	998,298	(1,399)
Total fiscal services	<u>2,108,992</u>	<u>2,176,068</u>	<u>2,089,112</u>	<u>86,956</u>
Business:				
Salaries and wages	258,347	258,347	292,806	(34,459)
Employee benefits	127,013	127,013	131,710	(4,697)
Purchased services	1,716,443	1,686,143	1,540,002	146,141
Supplies and materials	165,498	164,265	115,420	48,845
Capital outlay	6,571	24,571	16,982	7,589
Other	462,486	426,019	276,260	149,759
Total business	<u>2,736,358</u>	<u>2,686,358</u>	<u>2,373,180</u>	<u>313,178</u>
Operations and maintenance - plant:				
Salaries and wages	3,913,441	3,913,441	3,926,611	(13,170)
Employee benefits	1,938,636	1,938,636	1,954,993	(16,357)
Purchased services	4,462,581	4,486,141	4,421,578	64,563
Supplies and materials	1,025,074	1,019,751	1,062,293	(42,542)
Capital outlay	308,956	397,968	394,718	3,250
Other	38,247	38,157	37,551	606
Total operations and maintenance - plant	<u>11,686,935</u>	<u>11,794,094</u>	<u>11,797,744</u>	<u>(3,650)</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Salaries and wages	1,377,242	1,377,242	1,608,787	(231,545)
Employee benefits	623,463	623,463	692,103	(68,640)
Purchased services	511,855	656,205	648,197	8,008
Supplies and materials	569,128	435,781	402,620	33,161
Capital outlay	13,000	4,200	3,816	384
Other	1,200	2,750	19,323	(16,573)
Total pupil transportation	<u>3,095,888</u>	<u>3,099,641</u>	<u>3,374,846</u>	<u>(275,205)</u>
Central:				
Salaries and wages	1,108,343	1,070,843	1,113,792	(42,949)
Employee benefits	447,411	447,411	477,900	(30,489)
Purchased services	736,412	820,143	797,459	22,684
Supplies and materials	137,800	161,620	157,417	4,203
Capital outlay	148,230	117,068	101,071	15,997
Other	15,860	15,860	10,800	5,060
Total central	<u>2,594,056</u>	<u>2,632,945</u>	<u>2,658,439</u>	<u>(25,494)</u>
Total supporting services	<u>40,379,103</u>	<u>40,829,763</u>	<u>39,597,131</u>	<u>1,232,632</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	350	350	-	350
Purchased services	23,107	12,209	10,737	1,472
Supplies and materials	2,403	2,078	1,457	621
Other	-	500	182	318
Total community services	<u>25,860</u>	<u>15,137</u>	<u>12,376</u>	<u>2,761</u>
Other operation of non-instructional services:				
Salaries and wages	64,657	64,657	65,652	(995)
Employee benefits	19,409	19,409	20,275	(866)
Purchased services	3,562	3,807	2,945	862
Supplies and materials	1,830	1,792	1,757	35
Other	525	332	125	207
Total other operation of non-instructional services	<u>89,983</u>	<u>89,997</u>	<u>90,754</u>	<u>(757)</u>
Total operation of non-instructional services	<u>115,843</u>	<u>105,134</u>	<u>103,130</u>	<u>2,004</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	81,659	81,659	148,913	(67,254)
Employee benefits	13,982	13,982	22,603	(8,621)
Total academic and subject oriented	<u>95,641</u>	<u>95,641</u>	<u>171,516</u>	<u>(75,875)</u>
Occupation oriented:				
Salaries and wages	1,146	1,146	3,991	(2,845)
Employee benefits	196	196	543	(347)
Total occupation oriented	<u>1,342</u>	<u>1,342</u>	<u>4,534</u>	<u>(3,192)</u>
Sports oriented:				
Salaries and wages	382,697	382,697	518,229	(135,532)
Employee benefits	101,022	101,022	120,409	(19,387)
Total sports oriented	<u>483,719</u>	<u>483,719</u>	<u>638,638</u>	<u>(154,919)</u>
Co-curricular activities:				
Salaries and wages	7,429	7,429	54,591	(47,162)
Employee benefits	1,271	1,271	7,432	(6,161)
Total co-curricular activities	<u>8,700</u>	<u>8,700</u>	<u>62,023</u>	<u>(53,323)</u>
Total extracurricular activities	<u>589,402</u>	<u>589,402</u>	<u>876,711</u>	<u>(287,309)</u>
Total expenditures	<u>88,341,410</u>	<u>88,979,579</u>	<u>88,180,991</u>	<u>798,588</u>
Excess of revenues over (under) expenditures	<u>1,319,650</u>	<u>5,891,732</u>	<u>6,312,793</u>	<u>421,061</u>
Other financing sources (uses):				
Advances - in	-	900,000	902,084	2,084
Refund of prior year's expenditures	-	-	14,974	14,974
Transfers - out	(400,000)	(400,000)	(315,839)	84,161
Advances - out	(500,000)	(2,441,214)	(2,441,214)	-
Refund of prior year's receipts	<u>(300,000)</u>	<u>(217,200)</u>	<u>-</u>	<u>217,200</u>
Total other financing sources (uses)	<u>(1,200,000)</u>	<u>(2,158,414)</u>	<u>(1,839,995)</u>	<u>318,419</u>
Net change in fund balance	119,650	3,733,318	4,472,798	739,480
Fund balance at beginning of year, restated	10,126,476	10,126,476	10,126,476	-
Prior year encumbrances appropriated	<u>2,694,507</u>	<u>2,694,507</u>	<u>2,694,507</u>	<u>-</u>
Fund balance at end of year	\$ <u>12,940,633</u>	\$ <u>16,554,301</u>	\$ <u>17,293,781</u>	\$ <u>739,480</u>

Cleveland Heights-University Heights City School District

Debt Service Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 720,000	\$ 720,000	\$ 649,969	\$ (70,031)
Intergovernmental	75,000	75,000	74,425	(575)
Total revenues	<u>795,000</u>	<u>795,000</u>	<u>724,394</u>	<u>(70,606)</u>
Expenditures:				
Debt service:				
Principal retirement	900,000	900,000	930,000	(30,000)
Interest and fiscal charges	<u>600,000</u>	<u>600,000</u>	<u>571,258</u>	<u>28,742</u>
Total expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,501,258</u>	<u>(1,258)</u>
Excess of revenues over (under) expenditures	(705,000)	(705,000)	(776,864)	(71,864)
Other financing sources (uses):				
Transfers - in	<u>850,000</u>	<u>850,000</u>	<u>841,393</u>	<u>(8,607)</u>
Net change in fund balance	145,000	145,000	64,529	(80,471)
Fund balance at beginning of year	<u>210,333</u>	<u>210,333</u>	<u>210,333</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>355,333</u></u>	\$ <u><u>355,333</u></u>	\$ <u><u>274,862</u></u>	\$ <u><u>(80,471)</u></u>

Cleveland Heights-University Heights City School District

Permanent Improvement Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,589,839	\$ 3,589,839	\$ 3,362,080	\$ (227,759)
Intergovernmental	400,000	478,000	456,295	(21,705)
Miscellaneous	-	30,000	30,000	-
Total revenues	<u>3,989,839</u>	<u>4,097,839</u>	<u>3,848,375</u>	<u>(249,464)</u>
Expenditures:				
Current:				
Support services:				
Operation and maintenance of plant services:				
Purchased services	152,994	725,105	725,104	1
Supplies and materials	2,155	17,644	17,644	-
Capital outlay	<u>3,565,051</u>	<u>6,383,506</u>	<u>6,366,922</u>	<u>16,584</u>
Total operation and maintenance of plant services	<u>3,720,200</u>	<u>7,126,255</u>	<u>7,109,670</u>	<u>16,585</u>
Central:				
Purchased services	-	19,250	19,250	-
Capital outlay	<u>-</u>	<u>16,590</u>	<u>16,590</u>	<u>-</u>
Total central	<u>-</u>	<u>35,840</u>	<u>35,840</u>	<u>-</u>
Total expenditures	<u>3,720,200</u>	<u>7,162,095</u>	<u>7,145,510</u>	<u>16,585</u>
Excess of revenues over (under) expenditures	269,639	(3,064,256)	(3,297,135)	(232,879)
Other financing sources (uses):				
Advances - in	-	550,000	550,000	-
Transfers - out	<u>-</u>	<u>(678,853)</u>	<u>(678,853)</u>	<u>-</u>
Total other financing sources uses	<u>-</u>	<u>(128,853)</u>	<u>(128,853)</u>	<u>-</u>
Net change in fund balance	269,639	(3,193,109)	(3,425,988)	(232,879)
Fund balance at beginning of year, restated	231,992	231,992	231,992	-
Prior year encumbrances appropriated	<u>3,220,715</u>	<u>3,220,715</u>	<u>3,220,715</u>	<u>-</u>
Fund balance at end of year	\$ <u>3,722,346</u>	\$ <u>259,598</u>	\$ <u>26,719</u>	\$ <u>(232,879)</u>

Cleveland Heights-University Heights City School District

Special Trust Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$ 2,747	\$ 2,747	\$ -	\$ (2,747)
Miscellaneous	51,061	52,191	38,747	(13,444)
Total revenues	<u>53,808</u>	<u>54,938</u>	<u>38,747</u>	<u>(16,191)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	500	500	-	500
Supplies and materials	1,304	1,304	-	1,304
Total instruction	<u>1,804</u>	<u>1,804</u>	<u>-</u>	<u>1,804</u>
Support services:				
Pupils:				
Other	12,746	12,746	904	11,842
Instructional staff:				
Purchased services	743	443	325	118
Central services:				
Purchased services	-	50,300	48,664	1,636
Total support services	<u>13,489</u>	<u>63,489</u>	<u>49,893</u>	<u>13,596</u>
Non-instructional services:				
Community service:				
Purchased services	26,091	26,091	-	26,091
Supplies and materials	20,261	22,017	-	22,017
Other	468	97,518	2,500	95,018
Total non-instructional services	<u>46,820</u>	<u>145,626</u>	<u>2,500</u>	<u>143,126</u>
Extracurricular activities:				
Other	23,938	23,938	1,800	22,138
Total expenditures	<u>86,051</u>	<u>234,857</u>	<u>54,193</u>	<u>180,664</u>
Excess of revenues over (under) expenditures	(32,243)	(179,919)	(15,446)	164,473
Other financing sources (uses):				
Refund of prior year expenditures	-	-	51,025	51,025
Net change in fund balance	(32,243)	(179,919)	35,579	215,498
Fund balance at beginning of year	<u>316,591</u>	<u>316,591</u>	<u>316,591</u>	<u>-</u>
Fund balance at end of year	\$ <u>284,348</u>	\$ <u>136,672</u>	\$ <u>352,170</u>	\$ <u>215,498</u>

Cleveland Heights-University Heights City School District

Public School Support Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ -	\$ 81,438	\$ 21,612	\$ (59,826)
Extracurricular activities	52,925	259,166	146,606	(112,560)
Miscellaneous	37,625	98,074	18,189	(79,885)
Total revenues	<u>90,550</u>	<u>438,678</u>	<u>186,407</u>	<u>(252,271)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	3,000	4,607	1,738	2,869
Employee benefits	450	450	119	331
Purchased services	23,767	184,718	105,517	79,201
Supplies and materials	24,110	176,380	116,262	60,118
Capital outlay	-	7,633	7,450	183
Other	<u>52,099</u>	<u>64,321</u>	<u>32,615</u>	<u>31,706</u>
Total regular	103,426	438,109	263,701	174,408
Special:				
Supplies and materials	<u>-</u>	<u>3,606</u>	<u>3,474</u>	<u>132</u>
Total instruction	<u>103,426</u>	<u>441,715</u>	<u>267,175</u>	<u>174,540</u>
Support services:				
Instructional staff:				
Purchased services	-	2,147	-	2,147
Supplies and materials	<u>63</u>	<u>14,453</u>	<u>2,607</u>	<u>11,846</u>
Total instructional staff	<u>63</u>	<u>16,600</u>	<u>2,607</u>	<u>13,993</u>
Business:				
Supplies and materials	<u>580</u>	<u>580</u>	<u>580</u>	<u>-</u>
Total support services	<u>643</u>	<u>17,180</u>	<u>3,187</u>	<u>13,993</u>
Total expenditures	<u>104,069</u>	<u>458,895</u>	<u>270,362</u>	<u>188,533</u>
Excess of revenues over (under) expenditures	(13,519)	(20,217)	(83,955)	(63,738)
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net change in fund balance	(13,519)	(17,217)	(80,955)	(63,738)
Fund balance at beginning of year, restated	180,273	180,273	180,273	-
Prior year encumbrances appropriated	<u>13,517</u>	<u>13,517</u>	<u>13,517</u>	<u>-</u>
Fund balance at end of year	\$ <u>180,271</u>	\$ <u>176,573</u>	\$ <u>112,835</u>	\$ <u>(63,738)</u>

Cleveland Heights-University Heights City School District

Other Grants Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investment	\$ 1	\$ 1	\$ -	\$ (1)
Intergovernmental	-	2,295	4,600	2,305
Miscellaneous	665,557	721,702	601,791	(119,911)
Total revenues	665,558	723,998	606,391	(117,607)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	109,369	108,600	178,463	(69,863)
Employee benefits	29,651	29,914	46,724	(16,810)
Purchased services	155,166	213,020	120,844	92,176
Supplies and materials	120,255	162,397	53,460	108,937
Capital outlay	144,122	144,934	96,598	48,336
Other	542	1,992	1,635	357
Total regular	559,105	660,857	497,724	163,133
Special:				
Purchased services	70	70	-	70
Supplies and materials	218	1,453	1,235	218
Total special	288	1,523	1,235	288
Vocational education:				
Employee benefits	6	6	-	6
Purchased services	-	995	524	471
Supplies and materials	2,426	6,051	5,810	241
Capital outlay	1,049	1,049	-	1,049
Total vocational education	3,481	8,101	6,334	1,767
Total instruction	562,874	670,481	505,293	165,188

Continued

Cleveland Heights-University Heights City School District

Other Grants Fund (continued)

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services:				
Pupil:				
Salaries and wages	74	74	2	72
Employee benefits	13	13	-	13
Purchased services	72,327	7,759	5,557	2,202
Supplies and materials	15,535	17,210	4,619	12,591
Capital outlay	12,592	12,592	5,872	6,720
Other	6,760	599	-	599
Total pupil	<u>107,301</u>	<u>38,247</u>	<u>16,050</u>	<u>22,197</u>
Instructional staff:				
Purchased services	-	800	550	250
Supplies and materials	183	283	100	183
Total instructional staff	<u>183</u>	<u>1,083</u>	<u>650</u>	<u>433</u>
Administrative:				
Salaries and wages	8,938	8,938	331,014	(322,076)
Employee benefits	-	-	116,096	(116,096)
Purchased services	21,851	23,451	35,257	(11,806)
Supplies and materials	2,164	4,364	2,375	1,989
Total administrative	<u>32,953</u>	<u>36,753</u>	<u>484,742</u>	<u>(447,989)</u>
Business:				
Purchased services	28,500	28,500	-	28,500
Supplies and materials	1,500	1,500	-	1,500
Total business	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Operation and maintenance of plant services:				
Purchased services	-	812	409	403
Supplies and materials	3,209	4,291	-	4,291
Other	982	482	-	482
Total operation and maintenance of plant services	<u>4,191</u>	<u>5,585</u>	<u>409</u>	<u>5,176</u>
Pupil transportation:				
Purchased services	4,940	8,304	1,616	6,688
Total support services	<u>179,568</u>	<u>119,972</u>	<u>503,467</u>	<u>(383,495)</u>

Continued

Cleveland Heights-University Heights City School District

Other Grants Fund (continued)

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	1,114	1,114	923	191
Supplies and materials	2,074	3,066	-	3,066
Other	41,123	41,523	-	41,523
Total operation of non-instructional services	44,311	45,703	923	44,780
Extracurricular activities:				
Other	1	4,501	1,999	2,502
Total expenditures	786,754	840,657	1,011,682	(171,025)
Excess of revenues over (under) expenditures	(121,196)	(116,659)	(405,291)	(288,632)
Other financing sources (uses):				
Advances – in	-	279,975	279,975	-
Refund of prior year receipts	-	(2,311)	-	2,311
Total other financing sources (uses)	-	277,664	279,975	2,311
Net change in fund balance	(121,196)	161,005	(125,316)	(286,321)
Fund balance at beginning of year, restated	11,200	11,200	11,200	-
Prior year encumbrances appropriated	124,437	124,437	124,437	-
Fund balance at end of year	\$ 14,441	\$ 296,642	\$ 10,321	\$ (286,321)

Cleveland Heights-University Heights City School District

Venture Capital - Boulevard Fund

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

For The Fiscal Year Ended June 30, 2006

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

Cleveland Heights-University Heights City School District

District Managed Activity Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 82,327	\$ 103,343	\$ 44,292	\$ (59,051)
Miscellaneous	37,293	42,595	5,614	(36,981)
Total revenues	<u>119,620</u>	<u>145,938</u>	<u>49,906</u>	<u>(96,032)</u>
Expenditures:				
Current:				
Operations of non-instructional services:				
Community services:				
Supplies and materials	715	635	-	635
Other	<u>320</u>	<u>400</u>	<u>394</u>	<u>6</u>
Total operations of non-instructional services	<u>1,035</u>	<u>1,035</u>	<u>394</u>	<u>641</u>
Extracurricular activities:				
Salaries and wages	5,841	22,583	31,209	(8,626)
Employee benefits	2,800	2,800	4,697	(1,897)
Purchased services	138,765	139,691	100,727	38,964
Supplies and materials	129,333	134,786	84,617	50,169
Capital outlay	20,500	500	-	500
Other	<u>35,439</u>	<u>38,489</u>	<u>19,921</u>	<u>18,568</u>
Total extracurricular activities	<u>332,678</u>	<u>338,849</u>	<u>241,171</u>	<u>97,678</u>
Total expenditures	<u>333,713</u>	<u>339,884</u>	<u>241,565</u>	<u>98,319</u>
Excess of revenues over (under) expenditures	(214,093)	(193,946)	(191,659)	2,287
Other financing sources (uses):				
Transfers - in	<u>153,143</u>	<u>153,143</u>	<u>153,143</u>	<u>-</u>
Net change in fund balance	(60,950)	(40,803)	(38,516)	2,287
Fund balance at beginning of year	85,216	85,216	85,216	-
Prior year encumbrances appropriated	<u>9,829</u>	<u>9,829</u>	<u>9,829</u>	<u>-</u>
Fund balance at end of year	\$ <u>34,095</u>	\$ <u>54,242</u>	\$ <u>56,529</u>	\$ <u>2,287</u>

Cleveland Heights-University Heights City School District

Auxiliary Services Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,726,142	\$ 1,783,939	\$ 1,883,275	\$ 99,336
Earnings on investments	22,000	29,500	29,500	-
Total revenue	<u>1,748,142</u>	<u>1,813,439</u>	<u>1,912,775</u>	<u>99,336</u>
Expenditures:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	-	174,865	148,777	26,088
Employee benefits	75	39,803	49,711	(9,908)
Purchased services	56,045	1,005,275	965,784	39,491
Supplies and materials	125,983	633,606	505,764	127,842
Capital outlay	144,774	352,284	235,782	116,502
Other	-	39,367	39,371	(4)
Total expenditures	<u>326,877</u>	<u>2,245,200</u>	<u>1,945,189</u>	<u>300,011</u>
Net change in fund balance	1,421,265	(431,761)	(32,414)	399,347
Fund balance at beginning of year, restated	130,241	130,241	130,241	-
Prior year encumbrances appropriated	<u>311,184</u>	<u>311,184</u>	<u>311,184</u>	<u>-</u>
Fund balance at end of year	\$ <u>1,862,690</u>	\$ <u>9,664</u>	\$ <u>409,011</u>	\$ <u>399,347</u>

Cleveland Heights-University Heights City School District

Motorcycle Safety Education Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 21,071	\$ 21,071	\$ -	\$ (21,071)
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Salaries and wages				
Employee benefits	648	648	-	648
Supplies and materials	1,102	1,102	-	1,102
Total expenditures	1,750	1,750	-	1,750
Excess of revenues over (under) expenditures	19,321	19,321	-	(19,321)
Other financing sources (uses):				
Transfer - out	(12,685)	(12,685)	-	12,685
Net change in fund balance	6,636	6,636	-	(6,636)
Fund balance at beginning of year	431	431	431	-
Fund balance at end of year	\$ 7,067	\$ 7,067	\$ 431	\$ (6,636)

Cleveland Heights-University Heights City School District

Educational Management Information Systems Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,987	\$ 13,725	\$ 22,400	\$ 8,675
Expenditures:				
Current:				
Support services:				
Central:				
Salaries and wages	42,790	80,308	57,375	22,933
Employee benefits	6,962	31,111	26,714	4,397
Purchased services	41,937	1,500	1,189	311
Supplies and materials	5,060	1,997	178	1,819
Capital outlay	19,102	936	936	-
Other	255	255	31	224
Total expenditures	116,106	116,107	86,423	29,684
Net change in fund balance	(107,119)	(102,382)	(64,023)	38,359
Fund balance at beginning of year	107,119	107,119	107,119	-
Fund balance at end of year	\$ -	\$ 4,737	\$ 43,096	\$ 38,359

Cleveland Heights-University Heights City School District

Public School Preschool Grant Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,665	\$ 155,520	\$ 155,520	\$ -
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	1,509	41,931	36,713	5,218
Employee benefits	402	15,794	13,632	2,162
Supplies and materials	101	2,916	2,267	649
Total instruction	<u>2,012</u>	<u>60,641</u>	<u>52,612</u>	<u>8,029</u>
Support services:				
Instructional staff:				
Salaries and wages	-	47,514	55,400	(7,886)
Employee benefits	-	15,878	19,642	(3,764)
Purchased services	-	2,744	2,027	717
Supplies and materials	-	581	205	376
Total instructional staff	<u>-</u>	<u>66,717</u>	<u>77,274</u>	<u>(10,557)</u>
Administrative:				
Salaries and wages	-	11,070	16,090	(5,020)
Employee benefits	-	3,526	6,998	(3,472)
Total administrative	<u>-</u>	<u>14,596</u>	<u>23,088</u>	<u>(8,492)</u>
Pupil transportation:				
Purchased services	-	2,902	2,455	447
Total support services	<u>-</u>	<u>84,215</u>	<u>102,817</u>	<u>(18,602)</u>
Total expenditures	<u>2,012</u>	<u>144,856</u>	<u>155,429</u>	<u>(10,573)</u>
Excess of revenues over (under) expenditures	<u>8,653</u>	<u>10,664</u>	<u>91</u>	<u>(10,573)</u>
Other financing sources (uses):				
Advances - in	-	8,561	8,561	-
Advances - out	-	(8,652)	(8,652)	-
Total other financing sources (uses)	<u>-</u>	<u>(91)</u>	<u>(91)</u>	<u>-</u>
Net change in fund balance	8,653	10,573	-	(10,573)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ <u>8,653</u>	\$ <u>10,573</u>	\$ <u>-</u>	\$ <u>(10,573)</u>

Cleveland Heights-University Heights City School District

One Net Ohio Communique Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 42,000	\$ 42,000	\$ -
Expenditures:				
Current:				
Support services:				
Building improvement services:				
Purchased services	-	42,000	42,000	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

School Net Professional Development Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 3,924	\$ 3,924	\$ -
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	32	-	-	-
Employee benefits	85	-	-	-
Total instruction	117	-	-	-
Supporting services:				
Pupils:				
Purchased services	9,023	3,925	3,146	779
Supplies and materials	118	-	-	-
Total pupils	9,141	3,925	3,146	779
Instructional staff:				
Salaries and wages	194	193	-	193
Employee benefits	341	341	-	341
Total instructional staff	535	534	-	534
Total supporting services	9,676	4,459	3,146	1,313
Total expenditures	9,793	4,459	3,146	1,313
Excess of revenues over (under expenditures)	(9,793)	(535)	778	1,313
Other financing sources (uses):				
Refund of prior year receipts	-	(9,258)	(9,258)	-
Net change in fund balance	(9,793)	(9,793)	(8,480)	1,313
Fund balance at beginning of year, restated	8,374	8,374	8,374	-
Prior year encumbrances appropriated	1,419	1,419	1,419	-
Fund balance at end of year	\$ -	\$ -	\$ 1,313	\$ 1,313

Cleveland Heights-University Heights City School District

Textbook Subsidy Fund

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

For The Fiscal Year Ended June 30, 2006

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

Cleveland Heights-University Heights City School District

Ohio Reads Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 26,319	\$ 79,041	\$ 38,614	\$ (40,427)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	5,641	5,971	(330)
Employee benefits	-	930	971	(41)
Purchased services	-	3,250	938	2,312
Supplies and materials	7,894	34,558	25,422	9,136
Capital outlay	-	2,790	2,783	7
Total regular	7,894	47,169	36,085	11,084
Special:				
Supplies and materials	2,435	273	273	-
Total instruction	10,329	47,442	36,358	11,084
Support services:				
Pupil:				
Purchased services	3,730	3,730	1,105	2,625
Supplies and materials	121	10	10	-
Total pupil	3,851	3,740	1,115	2,625
Administrative:				
Salaries and wages	2,847	15,405	11,468	3,937
Employee benefits	1,534	2,975	1,963	1,012
Purchased services	381	1,106	2,466	(1,360)
Total administrative	4,762	19,486	15,897	3,589
Total support services	8,613	23,226	17,012	6,214
Total expenditures	18,942	70,668	53,370	17,298
Excess of revenues over (under) expenditures	7,377	8,373	(14,756)	(23,129)
Other financing sources (uses):				
Advances - in	-	10,971	10,971	-
Refund of prior year receipts	-	(994)	(994)	-
Total other financing sources (uses)	-	9,977	9,977	-
Net change in fund balance	7,377	18,350	(4,779)	(23,129)
Fund balance at beginning of year, restated	1,223	1,223	1,223	-
Prior year encumbrances appropriated	3,556	3,556	3,556	-
Fund balance at end of year	\$ 12,156	\$ 23,129	\$ -	\$ (23,129)

Cleveland Heights-University Heights City School District

Summer School Subsidy Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 74,810	\$ 74,810	\$ 74,810	\$ -
Expenditures:				
Current:				
Instruction:				
Special instruction:				
Salaries and wages	-	-	24,911	(24,911)
Employee benefits	-	-	4,224	(4,224)
Supplies and materials	60,976	59,506	60,340	(834)
Total instruction	60,976	59,506	89,475	(29,969)
Support services:				
Pupil:				
Salaries and wages	938	938	-	938
Employee benefits	209	209	-	209
Supplies and materials	9,508	9,508	-	9,508
Total support services	10,655	10,655	-	10,655
Total expenditures	71,631	70,161	89,475	(19,314)
Excess of revenues over (under) expenditures	3,179	4,649	(14,665)	(19,314)
Other financing sources (uses):				
Advances – in		19,312	19,312	-
Advances – out	-	-	(62,868)	(62,868)
Refund of prior year receipts	-	(1,469)	(1,469)	-
Total other financing sources (uses)	-	17,843	(45,025)	(62,868)
Net change in fund balance	3,179	22,492	(59,690)	(82,182)
Fund balance at beginning of year, restated	-	-	-	-
Prior year encumbrances appropriated	59,690	59,690	59,690	-
Fund balance at end of year	\$ 62,869	\$ 82,182	\$ -	\$ (82,182)

Cleveland Heights-University Heights City School District

Career Technical/Adult Education Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,913	\$ 5,133	\$ 138	\$ (4,995)
Expenditures:				
Current:				
Support services:				
Pupil:				
Capital outlay	-	3,220	-	3,220
Administration:				
Salaries and wages	555	555	555	-
Employee benefits	339	95	95	-
Total administrative	894	650	650	-
Total expenditures	894	3,870	650	3,220
Excess of revenues over (under) expenditures	1,019	1,263	(512)	(1,775)
Other financing sources (uses):				
Refund of prior year receipts	(30)	(274)	(244)	30
Net change in fund balance	989	989	(756)	(1,745)
Fund balance at beginning of year	3,070	3,070	3,070	-
Fund balance at end of year	\$ 4,059	\$ 4,059	\$ 2,314	\$ (1,745)

Cleveland Heights-University Heights City School District

Alternative Schools Grant Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 16,597	\$ 212,161	\$ 190,510	\$ (21,651)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	4,454	145,313	145,313	-
Employee benefits	-	50,339	50,252	87
Purchased services	879	-	-	-
Capital outlay	272	-	-	-
Total expenditures	5,605	195,652	195,565	87
Excess of revenues over (under) expenditures	10,992	16,509	(5,055)	(21,564)
Other financing sources (uses):				
Advances - in	-	21,566	21,566	-
Advances - out	-	(11,080)	(11,080)	-
Refund of prior year receipts	-	(5,516)	(5,516)	-
Total other financing sources (uses)	-	4,970	4,970	-
Net change in fund balance	10,992	21,479	(85)	(21,564)
Fund balance at beginning of year	85	85	85	-
Fund balance at end of year	\$ 11,077	\$ 21,564	\$ -	\$ (21,564)

Cleveland Heights-University Heights City School District

Extended Learning Opportunity Fund

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

For The Fiscal Year Ended June 30, 2006

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

Cleveland Heights-University Heights City School District

Miscellaneous State Grants Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 61,856	\$ 61,856	\$ -	\$ (61,856)
Miscellaneous	14,354	14,354	-	(14,354)
Total revenues	<u>76,210</u>	<u>76,210</u>	<u>-</u>	<u>(76,210)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	3,686	3,686	6,783	(3,097)
Employee benefits	1,249	1,249	1,115	134
Capital outlay	4,646	4,646	4,603	43
Total instruction	<u>9,581</u>	<u>9,581</u>	<u>12,501</u>	<u>(2,920)</u>
Support services:				
Pupil:				
Purchased services	<u>7,189</u>	<u>7,189</u>	<u>-</u>	<u>7,189</u>
Instructional staff:				
Salaries and wages	248	248	129	119
Employee benefits	166	166	-	166
Purchased services	2,850	2,850	-	2,850
Supplies and materials	3,214	3,956	1,668	2,288
Capital outlay	2,493	1,751	-	1,751
Other	284	284	-	284
Total instructional staff	<u>9,255</u>	<u>9,255</u>	<u>1,797</u>	<u>7,458</u>
Total support services	<u>16,444</u>	<u>16,444</u>	<u>1,797</u>	<u>14,647</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	34,439	34,439	-	34,439
Employee benefits	10,475	10,475	-	10,475
Purchased services	1,860	1,860	-	1,860
Supplies and materials	12,162	12,162	-	12,162
Other	75	75	-	75
Total operation of non-instructional services	<u>59,011</u>	<u>59,011</u>	<u>-</u>	<u>59,011</u>
Total expenditures	<u>85,036</u>	<u>85,036</u>	<u>14,298</u>	<u>70,738</u>

Continued

Cleveland Heights-University Heights City School District

Miscellaneous State Grants Fund (continued)

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	(8,826)	(8,826)	(14,298)	(5,472)
Other financing sources (uses):				
Advances - in	-	33,646	33,646	-
Net change in fund balance	(8,826)	24,820	19,348	(5,472)
Fund balance at beginning of year, restated	20,029	20,029	20,029	-
Prior year encumbrances appropriated	8,795	8,795	8,795	-
Fund balance at end of year	\$ <u>19,998</u>	\$ <u>53,644</u>	\$ <u>48,172</u>	\$ <u>(5,472)</u>

Cleveland Heights-University Heights City School District

Adult Basic Education Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 14,405	\$ 271,295	\$ 209,508	\$ (61,787)
Expenditures:				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and wages	4,255	142,054	123,300	18,754
Employee benefits	1,994	30,028	22,277	7,751
Purchased services	1,373	2,072	688	1,384
Supplies and materials	3,704	13,016	6,769	6,247
Total instruction	11,326	187,170	153,034	34,136
Support services:				
Pupil:				
Salaries and wages	-	62,004	62,004	-
Employee benefits	-	26,237	26,237	-
Purchased services	-	4,506	4,506	-
Supplies and materials	-	5,456	5,456	-
Other	-	622	622	-
Total support services	-	98,825	98,825	-
Total expenditures	11,326	285,995	251,859	34,136
Excess of revenues over (under) expenditures	3,079	(14,700)	(42,351)	(27,651)
Other financing sources (uses):				
Advances - in	-	45,431	45,431	-
Advances - out	-	(5,748)	(5,748)	-
Total other financing sources (uses)	-	39,683	39,683	-
Net change in fund balance	3,079	24,983	(2,668)	(27,651)
Fund balance at beginning of year, restated	-	-	-	-
Prior year encumbrances appropriated	2,668	2,668	2,668	-
Fund balance at end of year	\$ 5,747	\$ 27,651	\$ -	\$ (27,651)

Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 666,428	\$ 2,113,101	\$ 2,026,214	\$ (86,887)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	42,813	257,917	119,900	138,017
Employee benefits	28,141	109,907	47,871	62,036
Purchased services	72,688	51,772	12,426	39,346
Supplies and materials	107,088	302,707	187,302	115,405
Capital outlay	21,684	45,072	27,130	17,942
Total special	272,414	767,375	394,629	372,746
Support services:				
Pupil:				
Salaries and wages	14,406	97,757	102,449	(4,692)
Employee benefits	15,728	42,179	33,607	8,572
Purchased services	1,710	3,311	1,995	1,316
Supplies and materials	4,278	13,407	8,513	4,894
Total pupil	36,122	156,654	146,564	10,090
Instructional staff:				
Salaries and wages	121,113	481,731	414,133	67,598
Employee benefits	105,649	396,446	211,596	184,850
Purchased services	62,769	120,210	111,726	8,484
Supplies and materials	3,200	3,200	-	3,200
Total instructional staff	292,731	1,001,587	737,455	264,132
Administrative:				
Salaries and wages	26,669	235,211	236,556	(1,345)
Employee benefits	2,559	112,544	106,054	6,490
Purchased services	6,991	14,407	5,888	8,519
Supplies and materials	4,478	5,292	3,777	1,515
Capital outlay	5,404	2,604	1,925	679
Total administrative	46,101	370,058	354,200	15,858
Pupil transportation:				
Salaries and wages	44,645	12,424	12,424	-
Employee benefits	13,892	18,151	7,950	10,201
Purchased services	106,213	26,836	24,412	2,424
Total pupil transportation	164,750	57,411	44,786	12,625
Total support services	539,704	1,585,710	1,283,005	302,705

Continued

Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund (continued)

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

For The Fiscal Year Ended June 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	-	23,810	17,480	6,330
Employee benefits	-	8,709	6,214	2,495
Purchased services	26,046	90,888	44,384	46,504
Supplies and materials	600	600	-	600
Total operation of non-instructional services	<u>26,646</u>	<u>124,007</u>	<u>68,078</u>	<u>55,929</u>
Total expenditures	<u>838,764</u>	<u>2,477,092</u>	<u>1,745,712</u>	<u>731,380</u>
Excess of revenues over (under) expenditures	<u>(172,336)</u>	<u>(363,991)</u>	<u>280,502</u>	<u>644,493</u>
Other financing sources (uses):				
Transfers - in	194,434	757,379	-	(757,379)
Transfers - out	-	(221,102)	-	221,102
Advances - out	-	(162,974)	(162,974)	-
Total other financing sources (uses)	<u>194,434</u>	<u>373,303</u>	<u>(162,974)</u>	<u>(536,277)</u>
Net change in fund balance	22,098	9,312	117,528	108,216
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>140,660</u>	<u>140,660</u>	<u>140,660</u>	<u>-</u>
Fund balance at end of year	\$ <u>162,758</u>	\$ <u>149,972</u>	\$ <u>258,188</u>	\$ <u>108,216</u>

Cleveland Heights-University Heights City School District

Vocational Education Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 320,043	\$ 247,581	\$ (72,462)
Expenditures:				
Current:				
Instruction:				
Vocational education:				
Salaries and wages	322	74,631	76,297	(1,666)
Employee benefits	756	28,608	28,321	287
Purchased services	5,311	24,448	14,253	10,195
Supplies and materials	3,988	41,253	36,837	4,416
Capital outlay	31,879	43,009	36,993	6,016
Total instruction	42,256	211,949	192,701	19,248
Support services:				
Pupil:				
Salaries and wages	3,756	55,425	55,321	104
Employee benefits	863	24,603	23,675	928
Purchased services	-	2,550	1,800	750
Supplies and materials	12	4,562	3,550	1,012
Total pupil	4,631	87,140	84,346	2,794
Instructional staff:				
Salaries and wages	3,360	7,679	7,808	(129)
Employee benefits	594	725	725	-
Total instructional staff	3,954	8,404	8,533	(129)
Administrative:				
Salaries and wages	-	12,170	-	12,170
Pupil transportation:				
Purchased services	633	2,603	1,920	683
Central:				
Purchased services	831	8,452	4,235	4,217
Supplies and materials	-	8,254	1,024	7,230
Other	-	2,398	2,198	200
Total central	831	19,104	7,457	11,647
Total support services	10,049	129,421	102,256	27,165
Total expenditures	52,305	341,370	294,957	46,413
Excess of revenues over (under) expenditures	(52,305)	(21,327)	(47,376)	(26,049)

Continued

Cleveland Heights-University Heights City School District

Vocational Education Fund (continued)

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - in	-	-	156	156
Advances - in	-	-	12,509	12,509
Refund of prior year's receipts	-	(18,469)	(18,468)	1
Total other financing sources (uses)	-	(18,469)	(5,803)	12,666
Net change in fund balance	(52,305)	(39,796)	(53,179)	(13,383)
Fund balance at beginning of year	21,917	21,917	21,917	-
Prior year encumbrances appropriated	31,263	31,263	31,263	-
Fund balance at end of year	\$ 874	\$ 13,384	\$ 1	\$ (13,383)

Cleveland Heights-University Heights City School District

Title III Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,959	\$ 17,473	\$ 25,223	\$ 7,750
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	5,938	15,239	15,326	(87)
Employee benefits	1,184	3,278	3,279	(1)
Purchased services	916	2,798	2,595	203
Supplies and materials	4,513	5,099	5,031	68
Total pupil	12,551	26,414	26,231	183
Pupil transportation:				
Purchased services	1,000	986	986	-
Total expenditures	13,551	27,400	27,217	183
Excess of revenues over (under) expenditures	(4,592)	(9,927)	(1,994)	7,933
Other financing sources (uses):				
Transfers - in	2,577	7,751	-	(7,751)
Net change in fund balance	(2,015)	(2,176)	(1,994)	182
Fund balance at beginning of year, restated	31	31	31	-
Prior year encumbrances appropriated	6,298	6,298	6,298	-
Fund balance at end of year	\$ 4,314	\$ 4,153	\$ 4,335	\$ 182

Cleveland Heights-University Heights City School District

Chinese Refugees Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 1,250	\$ 1,250	\$ -
Expenditures:				
Current:				
Support services:				
Pupil:				
Supplies and materials	136	1,386	1,271	115
Net change in fund balance	(136)	(136)	(21)	115
Fund balance at beginning of year, restated	40	40	40	-
Prior year encumbrances appropriated	96	96	96	-
Fund balance at end of year	\$ -	\$ -	\$ 115	\$ 115

Cleveland Heights-University Heights City School District

Title I Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 198,082	\$ 1,259,553	\$ 1,062,529	\$ (197,024)
Miscellaneous	-	23,004	23,004	-
Total revenues	<u>198,082</u>	<u>1,282,557</u>	<u>1,085,533</u>	<u>(197,024)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	40,570	133,970	132,450	1,520
Supplies and materials	8,209	8,932	7,154	1,778
Total regular	<u>48,779</u>	<u>142,902</u>	<u>139,604</u>	<u>3,298</u>
Special:				
Salaries and wages	15,928	516,850	515,524	1,326
Employee benefits	4,251	181,908	177,754	4,154
Supplies and materials	142	22,799	17,647	5,152
Capital outlay	<u>12,576</u>	<u>4,950</u>	<u>4,750</u>	<u>200</u>
Total special	<u>32,897</u>	<u>726,507</u>	<u>715,675</u>	<u>10,832</u>
Total instruction	<u>81,676</u>	<u>869,409</u>	<u>855,279</u>	<u>14,130</u>
Support services:				
Pupil:				
Salaries and wages	-	35,350	35,350	-
Employee benefits	-	4,916	4,916	-
Purchased services	6,893	58,570	53,207	5,363
Supplies and materials	2,099	4,600	676	3,924
Other	45	-	-	-
Total pupil	<u>9,037</u>	<u>103,436</u>	<u>94,149</u>	<u>9,287</u>
Instructional staff:				
Salaries and wages	23,596	46,266	27,263	19,003
Employee benefits	9,655	22,690	8,576	14,114
Purchased services	77,548	76,025	49,601	26,424
Supplies and materials	46,786	67,624	54,992	12,632
Capital outlay	-	6,000	6,000	-
Total instructional staff	<u>157,585</u>	<u>218,605</u>	<u>146,432</u>	<u>72,173</u>
Administrative:				
Salaries and wages	39,367	61,081	59,549	1,532
Employee benefits	11,795	25,675	24,903	772
Other	-	12,000	6,000	6,000
Total administrative	<u>51,162</u>	<u>98,756</u>	<u>90,452</u>	<u>8,304</u>

Continued

Cleveland Heights-University Heights City School District

Title I Fund (continued)

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Purchased services	18,489	20,480	13,650	6,830
Total support services	236,273	441,277	344,683	96,594
Operation of non-instructional services:				
Community services:				
Salaries and wages	6,362	56,261	56,261	-
Employee benefits	18,167	20,483	20,483	-
Purchased services	7,823	7,458	5,338	2,120
Supplies and materials	3,707	3,168	348	2,820
Total operation of non-instructional services	36,059	87,370	82,430	4,940
Total expenditures	354,008	1,398,056	1,282,392	115,664
Excess of revenues over (under) expenditures	(155,926)	(115,499)	(196,859)	(81,360)
Other financing sources (uses):				
Advances - in	-	141,549	141,549	-
Transfers - in	160,723	169,794	-	(169,794)
Advances - out	-	(3,720)	(3,720)	-
Total other financing sources (uses)	160,723	307,623	137,829	(169,794)
Net change in fund balance	4,797	192,124	(59,030)	(251,154)
Fund balance at beginning of year, restated	-	-	-	-
Prior year encumbrances appropriated	59,030	59,030	59,030	-
Fund balance at end of year	\$ 63,827	\$ 251,154	\$ -	\$ (251,154)

Cleveland Heights-University Heights City School District

Title V Innovative Program Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,051	\$ 28,734	\$ 20,714	\$ (8,020)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	-	9,424	10,182	(758)
Employee benefits	-	3,935	4,322	(387)
Total support services	-	13,359	14,504	(1,145)
Operation of non-instructional services:				
Community services:				
Purchased services	-	5,589	3,906	1,683
Supplies and materials	-	8,612	5,634	2,978
Total operation of non-instructional services	-	14,201	9,540	4,661
Total expenditures	-	27,560	24,044	3,516
Excess of revenues over (under) expenditures	4,051	1,174	(3,330)	(4,504)
Other financing sources (uses):				
Transfers - in	-	2,808	-	(2,808)
Advances - in	-	1,193	1,193	-
Total other financing sources (uses)	-	4,001	1,193	(2,808)
Net change in fund balance	4,051	5,175	(2,137)	(7,312)
Fund balance at beginning of year, restated	-	-	-	-
Prior year encumbrances appropriated	2,137	2,137	2,137	-
Fund balance at end of year	\$ 6,188	\$ 7,312	\$ -	\$ (7,312)

Cleveland Heights-University Heights City School District

Drug Free Schools Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,620	\$ 48,364	\$ 47,062	\$ (1,302)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	7,439	-	1,699	(1,699)
Employee benefits	1,351	-	231	(231)
Purchased services	-	5,000	5,000	-
Total instruction	<u>8,790</u>	<u>5,000</u>	<u>6,930</u>	<u>(1,930)</u>
Support services:				
Pupil:				
Salaries and wages	-	28,676	28,676	-
Employee benefits	-	6,479	10,058	(3,579)
Total support services	<u>-</u>	<u>35,155</u>	<u>38,734</u>	<u>(3,579)</u>
Operation of non-instructional services:				
Community services:				
Purchased services	1,043	6,620	4,871	1,749
Supplies and materials	441	1,044	-	1,044
Total operation of non-instructional services	<u>1,484</u>	<u>7,664</u>	<u>4,871</u>	<u>2,793</u>
Total expenditures	<u>10,274</u>	<u>47,819</u>	<u>50,535</u>	<u>(2,716)</u>
Excess in revenues over (under) expenditures	<u>(1,654)</u>	<u>545</u>	<u>(3,473)</u>	<u>(4,018)</u>
Other financing sources (uses):				
Transfers - in	4,922	-	-	-
Advances - in	-	16,722	16,722	-
Advances - out	-	(4,030)	(4,030)	-
Total other financing sources (uses)	<u>4,922</u>	<u>12,692</u>	<u>12,692</u>	<u>-</u>
Net change in fund balance	3,268	13,237	9,219	(4,018)
Fund balance at beginning of year, restated	720	720	720	-
Prior year encumbrances appropriated	<u>152</u>	<u>152</u>	<u>152</u>	<u>-</u>
Fund balance at end of year	\$ <u>4,140</u>	\$ <u>14,109</u>	\$ <u>10,091</u>	\$ <u>(4,018)</u>

Cleveland Heights-University Heights City School District

Preschool Disabilities Grant Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,107	\$ 47,628	\$ 47,628	\$ -
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	1,200	2,320	1,161	1,159
Employee benefits	258	528	-	528
Supplies and materials	1,133	4,792	4,190	602
Total instruction	<u>2,591</u>	<u>7,640</u>	<u>5,351</u>	<u>2,289</u>
Support services:				
Pupil:				
Salaries and wages	300	27,951	29,940	(1,989)
Employee benefits	-	9,821	9,238	583
Purchased services	879	878	-	878
Total support services	<u>1,179</u>	<u>38,650</u>	<u>39,178</u>	<u>(528)</u>
Total expenditures	<u>3,770</u>	<u>46,290</u>	<u>44,529</u>	<u>1,761</u>
Excess of revenues over (under) expenditures	1,337	1,338	3,099	1,761
Other financing sources (uses):				
Advances - out	-	(1,338)	(1,338)	-
Net change in fund balance	1,337	-	1,761	1,761
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ <u>1,337</u>	\$ <u>-</u>	\$ <u>1,761</u>	\$ <u>1,761</u>

Cleveland Heights-University Heights City School District

Title IIA - Improving Teacher Quality Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 34,207	\$ 348,658	\$ 316,879	\$ (31,779)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	172,000	165,490	6,510
Employee benefits	-	63,323	63,323	-
Total instruction	-	235,323	228,813	6,510
Support services:				
Instructional staff:				
Salaries and wages	15,586	8,406	15,515	(7,109)
Employee benefits	7,954	1,104	2,191	(1,087)
Purchased services	4,276	60,959	54,719	6,240
Supplies and materials	7,332	17,575	3,137	14,438
Total support services	35,148	88,044	75,562	12,482
Operation of non-instructional services:				
Community services:				
Purchased services	1,705	4,257	2,347	1,910
Supplies and materials	2,673	2,953	2,636	317
Total operation of non-instructional services	4,378	7,210	4,983	2,227
Total expenditures	39,526	330,577	309,358	21,219
Net change in fund balance	(5,319)	18,081	7,521	(10,560)
Fund balance at beginning of year, restated	-	-	-	-
Prior year encumbrances appropriated	22,251	22,251	22,251	-
Fund balance at end of year	\$ 16,932	\$ 40,332	\$ 29,772	\$ (10,560)

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,652,488	\$ 3,692,399	\$ 1,950,790	\$ (1,741,609)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	69,215	134,015	54,011	80,004
Employee benefits	17,345	28,401	8,594	19,807
Purchased services	1,374	1,374	-	1,374
Supplies and materials	40	40	-	40
Total regular	<u>87,974</u>	<u>163,830</u>	<u>62,605</u>	<u>101,225</u>
Special:				
Supplies and materials	95	95	-	95
Capital outlay	54	54	-	54
Total special	<u>149</u>	<u>149</u>	<u>-</u>	<u>149</u>
Total instruction	<u>88,123</u>	<u>163,979</u>	<u>62,605</u>	<u>101,374</u>
Support services:				
Pupils:				
Salaries and wages	376,282	1,196,714	811,599	385,115
Employee benefits	13,548	351,287	272,730	78,557
Purchased services	670,493	1,508,514	964,098	544,416
Supplies and materials	113,605	158,075	53,193	104,882
Capital outlay	41,969	32,969	26,769	6,200
Total pupil	<u>1,215,897</u>	<u>3,247,559</u>	<u>2,128,389</u>	<u>1,119,170</u>
Instructional staff:				
Salaries and wages	5,408	13,520	8,654	4,866
Employee benefits	1,994	2,754	1,415	1,339
Purchased services	4,838	12,784	10,306	2,478
Supplies and materials	10,339	6,225	1,723	4,502
Capital outlay	126	126	-	126
Total instructional staff	<u>22,705</u>	<u>35,409</u>	<u>22,098</u>	<u>13,311</u>
Administrative:				
Other	-	6,000	-	6,000
Pupil transportation:				
Purchased services	<u>1,255</u>	<u>500</u>	<u>-</u>	<u>500</u>

Continued

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund (continued)

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

For the Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	25,602	94,102	50,380	43,722
Employee benefits	181	28,992	15,507	13,485
Purchased services	<u>14,208</u>	<u>84,544</u>	<u>81,123</u>	<u>3,421</u>
Total central	<u>39,991</u>	<u>207,638</u>	<u>147,010</u>	<u>60,628</u>
Total support services	<u>1,279,848</u>	<u>3,497,106</u>	<u>2,297,497</u>	<u>1,199,609</u>
Operation of non-instructional services:				
Community services:				
Purchased services	668	1,130	400	730
Supplies and materials	3,900	7,938	2,424	5,514
Capital outlay	<u>2,487</u>	<u>2,487</u>	<u>395</u>	<u>2,092</u>
Total operation of non-instructional services	<u>7,055</u>	<u>11,555</u>	<u>3,219</u>	<u>8,336</u>
Total expenditures	<u>1,375,026</u>	<u>3,672,640</u>	<u>2,363,321</u>	<u>1,309,319</u>
Excess of revenues over (under) expenditures	<u>277,462</u>	<u>19,759</u>	<u>(412,531)</u>	<u>(432,290)</u>
Other financing sources (uses):				
Advances - in	-	-	549,779	549,779
Transfers - out	(484)	(5,745)	-	5,745
Advances - out	(26)	(26)	(263,782)	(263,756)
Refund of prior year's receipts	<u>(748)</u>	<u>(1,829)</u>	<u>(1,079)</u>	<u>750</u>
Total other financing sources (uses)	<u>(1,258)</u>	<u>(7,600)</u>	<u>284,918</u>	<u>292,518</u>
Net change in fund balance	276,204	12,159	(127,613)	(139,772)
Fund balance at beginning of year	1,216	1,216	1,216	-
Prior year encumbrances appropriated	<u>126,397</u>	<u>126,397</u>	<u>126,397</u>	<u>-</u>
Fund balance at end of year	\$ <u>403,817</u>	\$ <u>139,772</u>	\$ <u>-</u>	\$ <u>(139,772)</u>

Cleveland Heights-University Heights City School District

School Net Plus

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

June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support services:				
Pupils:				
Supplies and materials	\$ 14,362	\$ 14,362	\$ 12,968	\$ 1,394
Other	<u>45,401</u>	<u>45,401</u>	<u>45,416</u>	<u>(15)</u>
Total expenditures	<u>59,763</u>	<u>59,763</u>	<u>58,384</u>	<u>1,379</u>
Net change in fund balance	(59,763)	(59,763)	(58,384)	1,379
Fund balance at beginning of year, restated	<u>61,033</u>	<u>61,033</u>	<u>61,033</u>	-
Fund balance at end of year	\$ <u>1,270</u>	\$ <u>1,270</u>	\$ <u>2,649</u>	\$ <u>1,379</u>



TOP
NINA RUSS
Grade 4, Noble Elementary

BOTTOM
TYLER SHADWICK
Grade 4, Noble Elementary



Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2006

Nonmajor Enterprise Funds

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

Food Service This fund accounts for the provision of food service to the District.

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

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

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

Nonmajor Internal Service Funds

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

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

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

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets

Nonmajor Enterprise Funds

June 30, 2006

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 35,299	\$ 22,364	\$ 26,422	\$ 52,819	\$ 136,904
Intergovernmental receivable	310,417	-	-	-	310,417
Materials and supplies inventories	7,189	-	-	-	7,189
Inventory held for resale	<u>16,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,836</u>
Total current assets	369,741	22,364	26,422	52,819	471,346
Non-current assets:					
Capital assets, net of depreciation	<u>121,202</u>	<u>-</u>	<u>-</u>	<u>606,959</u>	<u>728,161</u>
Total assets	<u>490,943</u>	<u>22,364</u>	<u>26,422</u>	<u>659,778</u>	<u>1,199,507</u>
Liabilities:					
Current liabilities:					
Accounts payable	13,197	-	-	-	13,197
Accrued wages and benefits	160	-	-	9,061	9,221
Interfund payable	1,083,168	-	-	-	1,083,168
Intergovernmental payable	30,131	-	-	52,582	82,713
Current portion of accrued compensated absences	<u>2,306</u>	<u>-</u>	<u>-</u>	<u>3,542</u>	<u>5,848</u>
Total current liabilities	1,128,962	-	-	65,185	1,194,147
Non-current liabilities:					
Accrued compensated absences	<u>30,638</u>	<u>-</u>	<u>-</u>	<u>47,051</u>	<u>77,689</u>
Total liabilities	<u>1,159,600</u>	<u>-</u>	<u>-</u>	<u>112,236</u>	<u>1,271,836</u>
Net assets:					
Invested in capital assets	121,202	-	-	606,959	728,161
Unrestricted (deficit)	<u>(789,859)</u>	<u>22,364</u>	<u>26,422</u>	<u>(59,417)</u>	<u>(800,490)</u>
Total net assets (deficit)	\$ <u>(668,657)</u>	\$ <u>22,364</u>	\$ <u>26,422</u>	\$ <u>547,542</u>	\$ <u>(72,329)</u>

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	Food Service	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Operating revenues:					
Intergovernmental	\$ 26,289	\$ -	\$ -	\$ -	\$ 26,289
Tuition and fees	-	-	-	784,388	784,388
Classroom materials and fees	-	53,855	-	-	53,855
Food services	732,491	-	-	-	732,491
Miscellaneous	<u>130</u>	<u>19,398</u>	<u>35,038</u>	<u>-</u>	<u>54,566</u>
Total operating revenues	<u>758,910</u>	<u>73,253</u>	<u>35,038</u>	<u>784,388</u>	<u>1,651,589</u>
Operating expenses:					
Salaries and wages	740,499	-	-	571,002	1,311,501
Fringe benefits	319,208	-	-	190,237	509,445
Contractual services	44,633	-	9,112	11,653	65,398
Materials and supplies	989,458	75,620	-	34,347	1,099,425
Depreciation	<u>15,625</u>	<u>-</u>	<u>-</u>	<u>14,412</u>	<u>30,037</u>
Total operating expenses	<u>2,109,423</u>	<u>75,620</u>	<u>9,112</u>	<u>821,651</u>	<u>3,015,806</u>
Operating income (loss)	<u>(1,350,513)</u>	<u>(2,367)</u>	<u>25,926</u>	<u>(37,263)</u>	<u>(1,364,217)</u>
Non-operating revenues:					
Federal donated commodities	45,538	-	-	-	45,538
Operating grants	<u>1,267,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,267,677</u>
Total non-operating revenues	<u>1,313,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,313,215</u>
Income (loss) before transfers	(37,298)	(2,367)	25,926	(37,263)	(51,002)
Transfers – out	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>(3,000)</u>
Net income (loss)	(37,298)	(5,367)	25,926	(37,263)	(54,002)
Net assets (deficit) at beginning of year	<u>(631,359)</u>	<u>27,731</u>	<u>496</u>	<u>584,805</u>	<u>(18,327)</u>
Net assets (deficit) at end of year	\$ <u>(668,657)</u>	\$ <u>22,364</u>	\$ <u>26,422</u>	\$ <u>547,542</u>	\$ <u>(72,329)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For The Fiscal Year Ended June 30, 2006

	Food Service	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 796,635	\$ 53,855	\$ -	\$ 809,015	\$ 1,659,505
Cash received from other operating sources	130	19,398	35,038	-	54,566
Cash payments for materials and supplies	(949,750)	(75,620)	-	(34,347)	(1,059,717)
Cash payments for goods and services	(31,436)	-	(9,112)	(11,653)	(52,201)
Cash payments to employees for services	(758,831)	-	-	(590,184)	(1,349,015)
Cash payments for employee benefits	(361,446)	-	-	(185,602)	(547,048)
<i>Net cash provided by (used for) operating activities</i>	<u>(1,304,698)</u>	<u>(2,367)</u>	<u>25,926</u>	<u>(12,771)</u>	<u>(1,293,910)</u>
Cash flows from noncapital financing activities:					
Operating grants received	957,260	-	-	-	957,260
Transfers - out	-	(3,000)	-	-	(3,000)
Advances - in	750,000	-	-	-	750,000
Advances - out	(377,892)	-	-	-	(377,892)
<i>Net cash provided by (used for) noncapital financing</i>	<u>1,329,368</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>1,326,368</u>
Net increase (decrease) in cash and cash equivalents	24,670	(5,367)	25,926	(12,771)	32,458
Cash and cash equivalents at beginning of year	<u>10,629</u>	<u>27,731</u>	<u>496</u>	<u>65,590</u>	<u>104,446</u>
Cash and cash equivalents at end of year	\$ <u>35,299</u>	\$ <u>22,364</u>	\$ <u>26,422</u>	\$ <u>52,819</u>	\$ <u>136,904</u>
Non-cash noncapital financing activities:					
Federal donated commodities	\$ <u>45,538</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>45,538</u>

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For The Fiscal Year Ended June 30, 2006

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (1,350,513)	\$ (2,367)	\$ 25,926	\$ (37,263)	\$ (1,364,217)
Adjustments:					
Depreciation	15,625	-	-	14,412	30,037
Federal donated commodities	45,538	-	-	-	45,538
Changes in assets/liabilities:					
Decrease in accounts receivable	-	-	-	24,627	24,627
Decrease in intergovernmental receivable	37,855	-	-	-	37,855
Increase in materials and supplies inventories	(4,287)	-	-	-	(4,287)
Increase in inventory held for resale	(1,543)	-	-	-	(1,543)
Increase in accounts payable	13,197	-	-	-	13,197
Decrease in accrued wages and benefits	(18,332)	-	-	(19,182)	(37,514)
(Decrease) increase in accrued compensated absences	(11,326)	-	-	2,575	(8,751)
Decrease in intergovernmental payable	(30,912)	-	-	2,060	(28,852)
Total adjustments	<u>45,815</u>	<u>-</u>	<u>-</u>	<u>24,492</u>	<u>70,307</u>
Net cash provided by (used for) operating activities	\$ <u>(1,304,698)</u>	\$ <u>(2,367)</u>	\$ <u>25,926</u>	\$ <u>(12,771)</u>	\$ <u>(1,293,910)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets Nonmajor Internal Service Funds

June 30, 2006

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 2,312,568	\$ 1,858,594	\$ 4,171,162
Accounts receivable	4,819	-	4,819
Prepaid items	<u>165,342</u>	<u>-</u>	<u>165,342</u>
Total assets	<u>2,482,729</u>	<u>1,858,594</u>	<u>4,341,323</u>
Liabilities:			
Current liabilities:			
Accrued wages and benefits	435	-	435
Intergovernmental payable	1,411	976,843	978,254
Claims payable	<u>1,880,200</u>	<u>-</u>	<u>1,880,200</u>
Total liabilities	<u>1,882,046</u>	<u>976,843</u>	<u>2,858,889</u>
Net assets:			
Unrestricted	\$ <u>600,683</u>	\$ <u>881,751</u>	\$ <u>1,482,434</u>

Cleveland Heights-University Heights City School District

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

For The Fiscal Year Ended June 30, 2006

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ -	\$ 978,846	\$ 978,846
Claims	<u>6,984,570</u>	<u>-</u>	<u>6,984,570</u>
Total operating revenues	<u>6,984,570</u>	<u>978,846</u>	<u>7,963,416</u>
Operating expenses:			
Salaries and wages	39,420	-	39,420
Fringe benefits	6,664,631	976,843	7,641,474
Contractual services	<u>58,490</u>	<u>24,237</u>	<u>82,727</u>
Total operating expenses	<u>6,762,541</u>	<u>1,001,080</u>	<u>7,763,621</u>
Operating income (loss)	222,029	(22,234)	199,795
Net assets at beginning of year	<u>378,654</u>	<u>903,985</u>	<u>1,282,639</u>
Net assets at end of year	\$ <u>600,683</u>	\$ <u>881,751</u>	\$ <u>1,482,434</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Internal Service Funds

For The Fiscal Year Ended June 30, 2006

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Increase in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from customers	\$ 6,979,751	\$ -	\$ 6,979,751
Cash received for claims	-	978,846	978,846
Cash payments for goods and services	(58,490)	(24,237)	(82,727)
Cash payments to employees for services	(41,567)	-	(41,567)
Cash payments for claims	<u>(5,090,733)</u>	<u>-</u>	<u>(5,090,733)</u>
Net cash provided by operating activities	<u>1,788,961</u>	<u>954,609</u>	<u>2,743,570</u>
Net increase in cash and cash equivalents	1,788,961	954,609	2,743,570
Cash and cash equivalents at beginning of year	<u>523,607</u>	<u>903,985</u>	<u>1,427,592</u>
Cash and cash equivalents at end of year	\$ <u>2,312,568</u>	\$ <u>1,858,594</u>	\$ <u>4,171,162</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 222,029	\$ (22,234)	\$ 199,795
Adjustments:			
Changes in assets/liabilities:			
Increase in accounts receivable	(4,819)	-	(4,819)
Increase in prepaid items	(165,342)	-	(165,342)
Decrease in accrued wages and benefits	(2,147)	-	(2,147)
(Decrease) increase in intergovernmental payable	(260)	976,843	976,583
Increase in claims payable	<u>1,739,500</u>	<u>-</u>	<u>1,739,500</u>
Total adjustments	<u>1,566,932</u>	<u>976,843</u>	<u>2,543,775</u>
Net cash provided by operating activities	\$ <u>1,788,961</u>	\$ <u>954,609</u>	\$ <u>2,743,570</u>

Cleveland Heights-University Heights City School District

Bellefaire General Rotary Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition	\$ 3,000,000	\$ 3,000,000	\$ 2,952,918	\$ (47,082)
Intergovernmental	750,000	750,000	765,185	15,185
Total revenues	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,718,103</u>	<u>(31,897)</u>
Expenses:				
Salaries and wages:				
Regular instruction	153,650	153,650	154,991	(1,341)
Special instruction	1,114,968	1,114,968	1,102,330	12,638
Support services - pupils	241,468	241,468	253,717	(12,249)
Support services - administration	192,479	192,479	194,739	(2,260)
Total salaries and wages	<u>1,702,565</u>	<u>1,702,565</u>	<u>1,705,777</u>	<u>(3,212)</u>
Fringe benefits:				
Regular instruction	57,713	57,713	54,911	2,802
Special instruction	439,817	439,817	421,322	18,495
Support services - pupils	86,564	86,564	81,353	5,211
Support services - administration	69,014	69,014	76,099	(7,085)
Total fringe benefits	<u>653,108</u>	<u>653,108</u>	<u>633,685</u>	<u>19,423</u>
Purchased services:				
Special instruction	786,540	783,540	668,542	114,998
Support services - pupils	530	310	-	310
Support services - instruction	267	267	267	-
Total purchased services	<u>787,337</u>	<u>784,117</u>	<u>668,809</u>	<u>115,308</u>
Supplies and materials:				
Special instruction	49,491	54,491	46,864	7,627
Support services - pupils	500	300	-	300
Support services - instruction	2,440	90	90	-
Total supplies and materials	<u>52,431</u>	<u>54,881</u>	<u>46,954</u>	<u>7,927</u>
Capital outlay:				
Special instruction	7,120	5,120	1,468	3,652
Support services - instruction	1,200	-	-	-
Total capital outlay	<u>8,320</u>	<u>5,120</u>	<u>1,468</u>	<u>3,652</u>
Total expenses	<u>3,203,761</u>	<u>3,199,791</u>	<u>3,056,693</u>	<u>143,098</u>
Net change in fund equity	546,239	550,209	661,410	111,201
Fund equity at beginning of year, restated	933,078	933,078	933,078	-
Prior year encumbrances appropriated	<u>173,658</u>	<u>173,658</u>	<u>173,658</u>	<u>-</u>
Fund equity at end of year	\$ <u>1,652,975</u>	\$ <u>1,656,945</u>	\$ <u>1,768,146</u>	\$ <u>111,201</u>

Cleveland Heights-University Heights City School District

Food Service Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 773,700	\$ 773,700	\$ 732,621	\$ (41,079)
Intergovernmental	1,437,000	1,437,000	1,021,404	(415,596)
Total revenues	<u>2,210,700</u>	<u>2,210,700</u>	<u>1,754,025</u>	<u>(456,675)</u>
Expenses:				
Food service operations:				
Salaries and wages	774,614	764,614	758,831	5,783
Fringe benefits	350,135	350,135	361,446	(11,311)
Purchased services	30,710	40,880	37,979	2,901
Supplies and materials	970,628	978,058	964,304	13,754
Capital outlay	<u>25,000</u>	<u>17,101</u>	<u>-</u>	<u>17,101</u>
Total expenses	<u>2,151,087</u>	<u>2,150,788</u>	<u>2,122,560</u>	<u>28,228</u>
Excess of revenues over (under) expenses	<u>59,613</u>	<u>59,912</u>	<u>(368,535)</u>	<u>(428,447)</u>
Other financing sources (uses):				
Advances - in	750,000	750,000	750,000	-
Advances - out	<u>(375,000)</u>	<u>(375,000)</u>	<u>(377,892)</u>	<u>(2,892)</u>
Total other financing sources (uses)	<u>375,000</u>	<u>375,000</u>	<u>372,108</u>	<u>(2,892)</u>
Net change in fund equity	434,613	434,912	3,573	(431,339)
Fund equity at beginning of year, restated	-	-	-	-
Prior year encumbrances appropriated	<u>10,628</u>	<u>10,628</u>	<u>10,628</u>	<u>-</u>
Fund equity at end of year	\$ <u>445,241</u>	\$ <u>445,540</u>	\$ <u>14,201</u>	\$ <u>(431,339)</u>

Cleveland Heights-University Heights City School District

Uniform School Supplies Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 71,666	\$ 92,934	\$ 53,855	\$ (39,079)
Miscellaneous	1,500	19,450	19,398	(52)
Total revenues	<u>73,166</u>	<u>112,384</u>	<u>73,253</u>	<u>(39,131)</u>
Expenses:				
Supplies and materials:				
Regular instruction	69,185	61,688	53,451	8,237
Other operation of non-instructional services	<u>31,713</u>	<u>31,713</u>	<u>30,813</u>	<u>900</u>
Total expenses	<u>100,898</u>	<u>93,401</u>	<u>84,264</u>	<u>9,137</u>
Excess of revenues over (under) expenses	<u>(27,732)</u>	<u>18,983</u>	<u>(11,011)</u>	<u>(29,994)</u>
Other financing sources (uses):				
Transfers - in	-	1,500	-	(1,500)
Transfers - out	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,500)</u>	<u>(3,000)</u>	<u>(1,500)</u>
Net change in fund equity	(27,732)	17,483	(14,011)	(31,494)
Fund equity at beginning of year, restated	20,335	20,335	20,335	-
Prior year encumbrances appropriated	<u>7,397</u>	<u>7,397</u>	<u>7,397</u>	<u>-</u>
Fund equity (deficit) at end of year	\$ <u>-</u>	\$ <u>45,215</u>	\$ <u>13,721</u>	\$ <u>(31,494)</u>

Cleveland Heights-University Heights City School District

Customer Services Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 5,000	\$ 35,072	\$ 35,038	\$ (34)
Expenses:				
Purchased services:				
Special instruction	5,000	3,080	3,080	-
Support services – instructional staff	-	500	532	(32)
Support services – administration	-	31,492	5,500	25,992
Total expenses	<u>5,000</u>	<u>35,072</u>	<u>9,112</u>	<u>25,960</u>
Net change in fund equity	-	-	25,926	25,926
Fund equity at beginning of year	<u>496</u>	<u>496</u>	<u>496</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>496</u></u>	\$ <u><u>496</u></u>	\$ <u><u>26,422</u></u>	\$ <u><u>25,926</u></u>

Cleveland Heights-University Heights City School District

Community Services/Early Childhood Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition	\$ 909,600	\$ 909,600	\$ 809,015	\$ (100,585)
Expenses:				
Community services:				
Salaries and wages	632,575	632,575	590,184	42,391
Fringe benefits	228,973	228,973	185,602	43,371
Purchased services	16,217	18,967	12,015	6,952
Supplies and materials	51,315	50,564	34,548	16,016
Capital outlay	5,100	5,100	-	5,100
Total expenses	934,180	936,179	822,349	113,830
Net change in fund equity	(24,580)	(26,579)	(13,334)	13,245
Fund equity at beginning of year, restated	62,057	62,057	62,057	-
Prior year encumbrances appropriated	3,531	3,531	3,531	-
Fund equity at end of year	\$ 41,008	\$ 39,009	\$ 52,254	\$ 13,245

Cleveland Heights-University Heights City School District

Self-Insurance Fund

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

For The Fiscal Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 19,750,000	\$ 19,750,000	\$ 6,979,751	\$ (12,770,249)
Expenses:				
Salaries and wages:				
Support services - central	-	-	41,567	(41,567)
Fringe benefits:				
Support services - central	11,022,437	11,022,437	3,763,107	7,259,330
Foundation settlement retiree	8,500,000	8,500,000	1,124,045	7,375,955
Fringe adjustments	-	208,000	207,259	741
Total fringe benefits	19,522,437	19,730,437	5,094,411	14,636,026
Purchases services:				
Support services - central	120,623	120,623	94,204	26,419
Total expenses	19,643,060	19,851,060	5,230,182	14,620,878
Net change in fund equity	106,940	(101,060)	1,749,569	1,850,629
Fund equity at beginning of year, restated	502,547	502,547	502,547	-
Prior year encumbrances appropriated	21,060	21,060	21,060	-
Fund equity at end of year	\$ 630,547	\$ 422,547	\$ 2,273,176	\$ 1,850,629

Cleveland Heights-University Heights City School District

Workers' Compensation Fund

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

For The Fiscal Year Ended June 30,2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 950,000	\$ 950,000	\$ 978,846	\$ 28,846
Expenses:				
Fringe benefits:				
Support services - central	1,390,758	1,390,758	1,000,000	390,758
Purchased services:				
Support services - central	2,577	2,577	25,000	(22,423)
Total expenses	<u>1,393,335</u>	<u>1,393,335</u>	<u>1,025,000</u>	<u>368,335</u>
Net change in fund equity	(443,335)	(443,335)	(46,154)	397,181
Fund equity at beginning of year, restated	310,650	310,650	310,650	-
Prior year encumbrances appropriated	<u>593,335</u>	<u>593,335</u>	<u>593,335</u>	-
Fund equity at end of year	\$ <u>460,650</u>	\$ <u>460,650</u>	\$ <u>857,831</u>	\$ <u>397,181</u>

Cleveland Heights-University Heights City School District

Combining Statement of Changes in Assets and Liabilities - Agency Funds

For The Fiscal Year Ended June 30, 2006

	<u>Balance</u> <u>06/30/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/06</u>
Student Activities:				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>126,314</u>	\$ <u>114,474</u>	\$ <u>139,760</u>	\$ <u>101,028</u>
Liabilities:				
Accounts payable	\$ 4,240	\$ -	\$ 4,240	\$ -
Due to students	<u>122,074</u>	<u>114,474</u>	<u>135,520</u>	<u>101,028</u>
Total liabilities	\$ <u>126,314</u>	\$ <u>114,474</u>	\$ <u>139,760</u>	\$ <u>101,028</u>

Cleveland
University
Heights



City School District

Statistical Section



ISABEL PARRAS
Grade 2
Coventry Elementary



MIGNON MOORE
Kindergarten, Noble Elementary



AUTUMN MILLER
Grade 3, Boulevard Elementary



Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2006

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	136-143
Revenue Capacity These schedules contain information to help the reader assess the School District's Most significant local revenue source, the property tax.	144-149
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	150-152
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	153
Operating Information These schedules contain service data to help the reader understand how the Information in the School District's financial report relates to the services the School District provides and the activities it performs.	154-159

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

Cleveland Heights-University Heights City School District

Net Assets by Component

Last Four Fiscal Years

Table 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
Invested in capital Assets, net of related debt	\$ 12,716,152	\$ 20,600,881	\$ 23,498,247	\$ 22,141,251
Restricted for:				
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173
Debt service	-	-	-	574,741
Other purposes	760,578	1,782,304	867,606	285,016
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805
Unrestricted	<u>13,017,617</u>	<u>11,739,480</u>	<u>22,834,399</u>	<u>50,813,197</u>
Total net assets – governmental activities	<u>32,610,915</u>	<u>38,667,255</u>	<u>54,086,934</u>	<u>79,802,183</u>
Business – type activities:				
Invested in capital assets, net of related debt	661,924	821,275	787,690	754,143
Unrestricted (deficit)	<u>(869,152)</u>	<u>(832,913)</u>	<u>(969,636)</u>	<u>(1,194,310)</u>
Total net assets – business – type activities	<u>(207,228)</u>	<u>(11,638)</u>	<u>(181,946)</u>	<u>(440,167)</u>
Primary government:				
Invested in capital assets, net of related debt	13,378,076	21,422,156	24,285,937	22,895,394
Restricted for:				
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173
Debt service	-	-	-	574,741
Other purposes	760,578	1,782,304	867,606	285,016
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805
Unrestricted	<u>12,148,465</u>	<u>10,906,567</u>	<u>21,864,763</u>	<u>49,618,887</u>
Total net assets – primary government	<u>\$ 32,403,687</u>	<u>\$ 38,655,617</u>	<u>\$ 53,904,988</u>	<u>\$ 79,362,016</u>

Source: School District's financial records

Cleveland Heights-University Heights City School District

Changes in Net Assets

Last Four Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses:				
Governmental activities:				
Regular instruction	\$ 34,958,355	\$ 36,417,770	\$ 37,821,356	\$ 35,541,131
Special instruction	7,570,304	7,890,280	8,555,472	8,573,448
Vocational instruction	1,839,843	1,774,417	1,761,548	1,662,594
Adult/continuing	249,789	238,686	257,212	145,191
Other instruction	2,454,574	2,664,644	2,053,694	3,405,263
Pupil	7,951,089	9,177,483	9,482,769	9,436,509
Instructional staff	5,056,893	5,524,342	4,955,130	4,469,078
Board of education	491,748	579,903	620,020	530,377
Administration	5,514,641	5,999,231	6,178,788	6,167,949
Fiscal	1,964,999	1,554,698	1,990,102	2,019,423
Business	2,494,829	2,687,483	2,320,386	2,307,448
Operation and maintenance of plant	11,645,982	8,631,086	11,949,256	11,451,826
Pupil transportation	3,253,212	3,192,244	3,055,811	3,498,625
Central	2,976,889	2,641,862	2,767,128	2,976,522
Community services	2,381,565	1,835,912	2,038,093	1,920,647
Extracurricular activities	1,170,728	1,108,523	1,195,101	1,157,041
Capital outlay	122,904	-	-	-
Interest and fiscal charges	<u>610,196</u>	<u>732,788</u>	<u>589,770</u>	<u>570,050</u>
Total governmental activities expenses	<u>92,708,540</u>	<u>92,651,352</u>	<u>97,591,636</u>	<u>95,833,122</u>
Business – type activities:				
Food service	2,539,369	2,410,538	2,275,179	2,109,423
Uniform school supplies	40,248	70,813	86,629	75,620
Customer services	47,037	33,077	19,536	9,112
Community services/early childhood	1,286,944	1,465,300	791,388	821,651
Bellefaire general rotary	<u>2,953,518</u>	<u>2,911,252</u>	<u>2,615,327</u>	<u>2,827,708</u>
Total business – type activities expenses	<u>6,867,116</u>	<u>6,890,980</u>	<u>5,788,059</u>	<u>5,843,514</u>
Total primary government expenses	<u>99,575,656</u>	<u>99,542,332</u>	<u>103,379,695</u>	<u>101,676,636</u>

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Four Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Program revenues:				
Governmental activities:				
Charges for service:				
Regular instruction	2,162,966	3,079,957	984,055	527,430
Special instruction	-	-	-	3,794,648
Vocational instruction	-	-	63,695	136,066
Adult/continuing instruction	-	-	-	6,825
Other instruction	566,797	31,532	-	-
Pupil	21,220	-	421	-
Administration	-	-	17,506	62,689
Pupil transportation	-	87,728	51,315	93,497
Community services	-	1,763,998	2,312,716	-
Extracurricular activities	116,855	418,013	357,465	44,292
Operating grants and contributions:				
Regular instruction	3,150,954	3,483,264	3,050,460	2,420,203
Special instruction	1,853,403	4,799,905	5,515,582	1,801,912
Vocational instruction	238,846	15,476	2,860,034	247,590
Adult/continuing instruction	508,232	-	-	-
Other instruction	-	-	2,264	-
Pupil	655,546	32,558	162,357	-
Instructional staff	142,883	569,528	-	-
Administrative	55,280	-	-	-
Operation and maintenance of plant	45,500	-	-	77,993
Pupil transportation	186,892	30,090	-	-
Central	26,220	-	21,752	64,400
Community services	1,962,989	10,313	1,817,509	1,883,275
Capital grants and contributions:				
Regular instruction	-	48,750	48,750	-
Operation and maintenance of plant	-	-	-	30,000
Pupil transportation	56,288	8,181	-	-
Total governmental activities				
program revenues	11,750,871	14,379,293	17,265,881	11,190,820
Business – type activities:				
Charges for services:				
Food service	998,818	1,127,693	545,521	732,621
Uniform school supplies	43,492	77,652	73,630	73,253
Customer services	23,305	18,245	20,032	35,038
Community services	1,481,117	1,181,284	890,313	784,388
Bellefaire	1,741,370	2,592,146	1,776,450	1,858,304
Operating grants and contributions				
Food service	1,245,716	1,017,510	218,838	26,289
Bellefaire	663,565	804,585	-	-
Total business – type activities				
Program revenues	6,197,383	6,819,115	3,524,784	3,509,893
Total primary governmental				
revenues	17,948,254	21,198,408	20,790,665	14,700,713
Net expense:				
Governmental activities	(80,957,669)	(78,272,059)	(80,325,755)	(84,642,302)
Business – type activities	(669,733)	(71,865)	(2,263,275)	(2,333,621)
Total primary government net expense	(81,627,402)	(78,343,924)	(82,589,030)	(86,975,923)

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Four Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General revenues and other changes in net assets:				
Governmental activities:				
Property taxes levied for				
General purpose	50,466,423	56,364,919	60,310,034	76,288,318
Debt service	501,821	894,502	929,117	535,005
Capital projects	2,692,133	4,929,571	3,069,014	4,455,425
Grants and entitlements not restricted to specific programs	16,603,073	21,819,121	30,581,825	26,687,865
Earnings on investments	260,631	587,741	462,659	1,432,840
Miscellaneous	-	-	392,785	955,098
Transfers	<u>(545,509)</u>	<u>(267,455)</u>	<u>-</u>	<u>3,000</u>
Total governmental activities	<u>69,978,572</u>	<u>84,328,399</u>	<u>95,745,434</u>	<u>110,357,551</u>
Business – type activities:				
Grants and entitlements not restricted to specific programs	-	-	2,092,967	2,078,400
Transfers	<u>545,509</u>	<u>267,455</u>	<u>-</u>	<u>(3,000)</u>
Total business – type activities	<u>545,509</u>	<u>267,455</u>	<u>2,092,967</u>	<u>2,075,400</u>
Total primary government	<u>19,340,544</u>	<u>84,595,854</u>	<u>97,838,401</u>	<u>112,432,951</u>
Change in net assets				
Governmental activities	(10,979,097)	6,056,340	15,419,679	25,715,249
Business – type activities	<u>(124,224)</u>	<u>195,590</u>	<u>(170,308)</u>	<u>(258,221)</u>
Total primary government change in net assets	\$ <u>11,103,321</u>	\$ <u>6,251,930</u>	\$ <u>15,249,371</u>	\$ <u>25,457,028</u>

Source: School District's financial records

Cleveland Heights-University Heights City School District

Program Revenues by Function/Program

Last Four Fiscal Years

Table 3

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Regular instruction	\$ 5,313,920	\$ 6,611,971	\$ 4,083,265	\$ 2,947,633
Special instruction	1,853,403	4,799,905	5,515,582	5,596,560
Vocational instruction	238,846	15,476	2,923,729	383,656
Adult/continuing instruction	508,232	-	-	6,825
Other instruction	566,797	31,532	2,264	-
Pupil	676,766	32,558	162,778	-
Instructional staff	142,883	569,528	-	-
Administration	55,280	-	17,506	62,689
Operation and maintenance of plant	45,500	-	-	107,993
Pupil transportation	243,180	125,999	51,315	93,497
Central	26,220	-	21,752	64,400
Community services	1,962,989	1,774,311	4,130,225	1,883,275
Extracurricular activities	<u>116,855</u>	<u>418,013</u>	<u>357,465</u>	<u>44,292</u>
Total governmental activities	<u>11,750,871</u>	<u>14,379,293</u>	<u>17,265,881</u>	<u>11,190,820</u>
Business – type activities				
Food service	2,244,534	2,145,203	764,359	758,910
Uniform school supplies	43,492	77,652	73,630	73,253
Customer services	23,305	18,245	20,032	35,038
Community services	1,481,117	1,181,284	890,313	784,388
Bellefaire	<u>2,404,935</u>	<u>3,396,731</u>	<u>1,776,450</u>	<u>1,858,304</u>
Total business – type activities	<u>6,197,383</u>	<u>6,819,115</u>	<u>3,524,784</u>	<u>3,509,893</u>
Total primary government program revenues	\$ <u>17,948,254</u>	\$ <u>21,198,408</u>	\$ <u>20,790,665</u>	\$ <u>14,700,713</u>

Source: School District's financial records

Cleveland Heights-University Heights City School District

Fund Balances, Governmental Funds

Table 4

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General fund	\$ 4,274,627	\$ 4,927,207	\$ 9,787,520	\$ 5,236,993	\$ 7,761,780	\$ 15,486,334	\$ 8,159,310	\$ 14,015,916	\$ 17,421,642	\$ 31,484,977
Reserved	3,476,066	6,085,324	10,262,005	8,214,162	7,475,436	15,171,373	10,062,100	1,924,082	13,612,213	21,350,110
Unreserved	7,750,693	11,012,531	20,049,525	13,451,155	15,237,216	30,657,707	18,221,410	15,939,998	31,033,855	52,835,087
Total general fund	1,119,572	1,694,172	1,533,585	1,727,115	1,831,392	2,231,698	4,927,249	9,767,446	7,642,807	4,704,397
All other governmental funds										
Reserved										
Unreserved, undesignated, Reported in:										
Special revenue funds	344,282	419,366	1,267,622	1,452,435	1,050,612	1,075,052	953,319	217,477	1,179,271	648,244
Debt service funds	12,617	12,617	11,006	11,006	11,006	(182,807)	81,071	98,444	211,488	-
Capital projects funds	1,899,738	3,777,110	2,612,553	577,278	766,430	(176,962)	1,173,189	1,433,228	265,668	2,415,169
Total all other governmental funds	3,376,209	5,903,265	5,424,766	3,767,834	3,659,440	2,946,981	7,134,828	11,516,595	9,297,234	7,767,810
Total governmental funds	\$ 11,126,902	\$ 16,915,796	\$ 25,474,291	\$ 17,218,989	\$ 18,896,656	\$ 33,604,688	\$ 25,356,238	\$ 27,456,593	\$ 40,331,089	\$ 60,602,897

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years **Table 5**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues:										
Taxes	41,513,741	44,074,251	49,473,648	40,916,548	50,765,634	62,143,581	46,308,999	60,162,590	65,125,482	80,068,149
Intergovernmental	23,468,413	25,576,841	28,389,022	27,483,801	27,421,461	31,643,744	33,868,366	33,979,643	40,330,849	35,994,845
Tuition and fees	2,609,749	4,533,342	5,948,629	1,553,244	899,953	287,421	589,353	666,018	3,000,244	563,807
Transportation fees	53,872	-	-	46,063	95,538	61,297	56,288	76,823	51,315	-
Earnings on investments	1,122,215	1,323,306	1,758,784	1,027,407	1,320,577	828,171	254,688	169,792	462,659	1,432,840
Extracurricular activities	-	981,142	955,618	365,223	448,766	370,346	347,415	276,992	357,465	187,545
Classroom materials and fees	-	-	-	271,746	74,081	61,389	65,752	47,994	24,334	21,612
Food services	77,678	-	-	92	-	1,831	-	-	-	-
Rentals	-	69,481	44,209	-	-	-	-	-	-	-
Gifts and donations	-	190,913	199,929	-	-	-	-	-	-	-
Miscellaneous	798,847	297,145	1,011,347	687,538	651,190	5,868,314	1,273,296	634,344	1,864,071	1,522,733
Total revenues	69,644,515	77,046,421	87,781,186	72,351,662	81,677,200	101,266,094	82,764,157	96,014,196	111,216,419	119,791,531
Expenditures:										
Current:										
Instruction:										
Regular	25,370,428	28,163,419	31,566,108	30,388,816	31,830,566	32,721,891	34,583,645	33,868,601	34,236,479	34,573,204
Special	7,092,972	7,535,055	7,345,509	5,939,722	6,353,542	6,843,267	7,558,962	7,718,576	8,465,988	8,604,906
Vocational	1,476,967	1,532,181	1,659,759	1,633,653	1,623,723	1,679,674	1,828,643	1,695,105	1,717,241	1,670,809
Adult/continuing	214,607	172,511	160,850	202,811	219,804	243,714	249,789	258,416	256,099	147,662
Other	-	-	-	1,702,550	1,933,701	1,217,427	2,454,574	2,675,944	2,053,694	3,404,613
Support services:										
Pupil	5,394,428	5,425,315	6,174,489	6,857,623	7,300,157	7,205,878	7,951,441	8,910,162	9,398,698	9,460,564
Instructional staff	3,037,140	3,263,970	4,276,090	4,009,890	3,676,704	4,179,534	4,835,159	5,385,171	4,786,153	4,416,605
Board of education	289,075	251,588	288,511	763,661	621,463	491,748	491,748	543,274	620,020	530,377
Administration	4,821,941	4,818,893	5,115,042	4,917,757	4,669,781	5,573,613	5,524,040	5,848,938	6,001,439	6,124,940
Fiscal	1,270,680	1,419,293	1,451,557	1,738,279	1,809,818	2,029,914	1,956,620	1,532,415	1,982,278	3,960,222
Business	1,214,054	1,127,596	1,206,753	1,457,801	1,490,288	2,713,106	4,087,808	5,139,737	2,293,991	390,523
Operation and maintenance										
of plant	9,916,604	8,154,780	8,250,470	11,705,803	9,145,902	11,578,679	14,280,666	16,007,194	16,773,828	15,305,266
Pupil transportation	1,991,311	1,975,896	2,162,846	2,266,660	2,425,998	2,728,538	3,194,204	3,229,414	2,872,764	3,347,240
Central	1,663,157	1,770,830	2,124,117	2,503,827	2,775,439	3,004,062	2,942,986	2,594,369	2,726,067	2,982,146
Operations of non-instructional services:										
Food service	-	-	-	927	1,853	103	976	24	-	-
Community services	1,685,820	2,942,279	3,117,020	2,024,777	1,962,607	2,097,167	2,279,893	1,755,029	2,026,440	1,922,608
Other	9,546	-	-	79,469	70,196	78,040	100,920	50,795	-	94,520
Extracurricular activities	574,056	916,759	974,566	910,198	982,550	1,349,898	1,154,995	1,077,510	1,202,092	1,131,599
Capital outlay	142	2,890,554	6,483,198	14,678	19,500	10,547	139,138	124,678	-	39,320
Debt service:										
Principal retirement	331,319	378,555	381,166	462,264	1,040,000	1,352,191	1,409,915	1,274,239	910,000	930,000
Interest and fiscal charges	62,581	95,197	142,599	189,006	170,973	198,676	729,241	733,060	596,144	571,259
Total expenditures	66,416,828	72,834,671	82,880,650	79,770,172	80,124,565	87,051,117	97,755,363	100,422,651	98,919,415	99,513,863

Continued

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years **Table 5**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Excess of revenues over (under expenditures)	3,227,687	4,211,750	4,900,536	(7,418,510)	1,552,635	14,214,977	(14,991,206)	(4,408,455)	12,297,004	20,277,668
Other financing sources (uses):										
Issuance of bonds	-	1,400,000	-	-	-	-	5,800,000	-	-	-
Issuance of notes	-	-	1,600,000	-	-	-	-	-	-	-
Proceeds from the inception of capital lease	-	-	-	-	-	660,000	732,323	835,560	577,492	-
Proceeds from the sale of assets	-	17,153	1,306	132,843	45,588	-	-	-	-	-
Insurance proceeds	-	-	-	-	161,618	-	-	-	-	-
Qualified zone academy bonds	-	-	-	-	-	-	-	5,500,000	-	-
Other	(943,048)	-	-	-	(1,075)	-	5,942	-	-	-
Transfers-in	-	849,445	2,771,255	1,006,350	813,164	297,345	2,307,593	7,128,579	1,432,606	997,692
Refund of prior year expenditures	-	-	-	-	-	-	-	-	-	71,786
Transfers-out	-	(689,454)	(877,881)	(1,975,985)	(894,263)	(464,290)	(2,103,102)	(6,955,329)	(1,432,606)	(994,692)
Refund of prior year receipts	-	-	-	-	-	-	-	-	-	(80,646)
Total other financing sources (uses)	(943,048)	1,577,144	3,494,680	(836,792)	125,032	493,055	6,742,756	6,508,810	577,492	(5,860)
Net change in fund balances	\$ 2,284,639	\$ 5,788,894	\$ 8,395,216	\$ (8,255,302)	\$ 1,677,667	\$ 14,708,032	\$ (8,248,450)	\$ 2,100,355	\$ 12,874,496	\$ 20,271,808
Debt service as a percentage of noncapital expenditures	0.59%	0.68%	0.69%	0.82%	1.51%	1.79%	2.19%	1.98%	1.53%	1.51%

Cleveland Heights-University Heights City School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years Table 6

Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2006	\$ 1,068,833,330	\$ 3,053,809,514	\$ 27,878,630	\$ 31,680,261	\$ 23,111,301	\$ 100,483,917	\$ 1,119,823,261	\$ 3,185,973,692	35%
2005	1,135,565,940	3,244,474,114	30,356,400	34,495,909	22,495,796	97,807,809	1,188,418,136	3,376,777,832	35%
2004	1,066,559,720	3,047,313,486	33,561,950	38,138,580	23,331,004	101,439,148	1,123,452,674	3,186,891,213	35%
2003	937,234,820	2,677,813,771	31,701,920	36,024,909	25,539,854	111,042,843	994,476,594	2,824,881,523	35%
2002	929,693,070	2,656,265,914	20,379,170	23,158,147	24,751,484	99,005,936	974,823,724	2,778,429,997	35%
2001	926,462,620	2,647,036,057	30,906,950	35,121,534	34,917,354	139,669,415	992,286,924	2,821,827,007	35%
2000	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%
1999	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%
1998	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%
1997	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%

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

Estimated actual values are calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility is assessed at 88 percent of actual value.

Tangible personal property is assessed at 23 percent of actual value.

Cleveland Heights-University Heights City School District

Property Tax Rates – Direct and Overlapping Governments

Table 7

Last Ten Years

Tax Year	School		County		City		Metro Parks		Library		Tri-C		Cleveland Port Authority		Total		Debt Service Included in Total Levy	
	Levy	Levy	Levy	Levy	Levy	Levy	Levy	Levy	Levy	Levy	Levy	Levy	Levy	Levy	School	County	City	Total
2005/2006	129.50	13.52	13.00	13.00	1.85	5.90	2.80	0.13	166.70	3.80	0.71	6.48	10.99	3.80	0.71	6.48	10.99	
2004/2005	129.50	13.52	13.10	13.10	1.85	5.90	2.80	0.13	166.80	3.80	0.61	6.48	10.89	3.80	0.61	6.48	10.89	
2003/2004	121.10	13.52	14.00	14.00	1.55	5.90	2.80	0.13	159.00	3.80	0.91	6.00	10.71	3.80	0.91	6.00	10.71	
2002/2003	121.10	14.65	14.10	14.10	1.55	5.90	0.00	0.00	157.30	3.80	0.91	6.10	10.81	3.80	0.91	6.10	10.81	
2001/2002	121.10	14.65	14.00	14.00	1.55	5.90	0.00	0.00	157.20	3.80	0.86	6.00	10.66	3.80	0.86	6.00	10.66	
2000/2001	120.40	14.65	14.10	14.10	1.55	5.90	0.00	0.00	156.60	3.80	0.79	6.10	10.69	3.80	0.79	6.10	10.69	
1999/2002	111.00	13.75	14.80	14.80	1.55	4.00	0.00	0.00	145.10	3.80	0.85	6.80	11.45	3.80	0.85	6.80	11.45	
1998/1999	111.00	13.75	14.80	14.80	1.55	4.00	0.00	0.00	145.10	3.80	0.72	6.80	11.32	3.80	0.72	6.80	11.32	
1997/1998	111.00	15.05	14.80	14.80	1.55	4.00	0.00	0.00	146.40	3.80	0.60	6.80	11.20	3.80	0.60	6.80	11.20	
1996/1997	111.00	15.05	13.00	13.00	1.55	4.00	0.00	0.00	144.60	3.80	0.90	5.00	9.70	3.80	0.90	5.00	9.70	
1995/1996	102.10	15.05	13.00	13.00	1.55	4.00	0.00	0.00	135.70	3.80	0.87	5.00	9.67	3.80	0.87	5.00	9.67	

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

Cleveland Heights-University Heights City School District

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

Last Ten Years Table 8

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Collected as a Percent of Current Levy
2005	\$ 73,180,871	\$ 6,317,749	\$ 79,498,620	\$ 69,220,320	94.58%	\$ 4,081,167	\$ 73,301,487	100.01%
2004	73,993,743	6,538,173	80,531,917	65,677,215	88.76%	3,208,654	68,885,869	93.01%
2003	63,884,607	3,977,674	67,862,281	58,532,812	91.62%	3,179,666	61,712,478	96.60%
2002	60,216,887	4,017,319	64,234,206	57,410,608	95.33%	2,830,263	60,240,871	100.04%
2001	61,457,814	3,264,265	64,722,079	53,422,810	86.93%	1,476,879	54,899,689	89.33%
2000	51,057,682	3,302,936	54,360,618	48,710,094	95.40%	2,358,932	51,069,026	100.02%
1999	50,792,187	3,445,416	54,237,603	48,529,555	95.55%	1,840,890	50,370,445	99.17%
1998	50,958,952	3,281,648	54,240,600	48,815,618	95.79%	1,376,408	50,192,026	98.50%
1997	50,530,484	2,261,651	52,792,135	45,883,312	90.80%	956,882	46,840,194	92.70%
1996	43,508,521	2,417,941	45,926,462	42,493,083	97.67%	1,009,038	43,502,121	99.99%

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

Principal Taxpayers - Real Estate Tax

As of December 31, 2005 and December 31, 2001

Table 9

	December 31, 2005	
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Severance SPE Lease Co., LLC	\$ 16,113,310	1.51%
Inland Western University	12,004,480	1.12%
The May Department Stores	8,538,110	0.80%
Kaiser Foundation Health University Square	8,407,390	0.79%
Target Corp.	7,861,180	0.74%
John Carroll University	5,804,650	0.54%
Kensington LTD Partnership	4,049,570	0.38%
Severance SPE FEECO, LLC	3,795,960	0.36%
Concord Co.	2,691,580	0.25%
Total	\$ 71,632,760	6.71%

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

Source: Cuyahoga County Auditor
 (1) Assessed values are for the 2006 collection year.
 (2) Assessed values are for the 2001 collection year.

Cleveland Heights-University Heights City School District

Principal Taxpayers - Personal Property Tax

As of December 31, 2005 and December 31, 2001

Table 10

Name of Taxpayer	December 31, 2005	
	Assessed Value (1)	Percent of Total Assessed Value
Federated Retail Holdings	1,134,190	4.91%
Wal Mart Stores East LP	1,128,500	4.88%
Mortorcars Inc.	1,099,520	4.76%
Home Depot USA, Inc.	1,042,210	4.51%
Adelphia of the Midwest Inc.	893,930	3.87%
Target Corp.	798,750	3.46%
International Securities LTD	744,390	3.22%
Tops Market, LLC	545,830	2.36%
Marc Glassman Inc.	543,100	2.35%
York Lee Inc.	441,240	1.91%
Total	8,371,660	36.23%

Name of Taxpayer	December 31, 2001	
	Assessed Value (2)	Percent of Total Assessed Value
Cable Vision	2,059,220	8.32%
Home Depot USA, Inc.	1,917,570	7.75%
Wal Mart Stores East LP	1,469,380	5.94%
May Department Stores	1,266,740	5.12%
Mortorcars, Inc.	1,145,600	4.63%
International Securities, LTD	1,098,990	4.44%
Tops Markets, LLC	667,300	2.70%
Motorcards Pontiac Oldsmobile	586,010	2.37%
Regal Cinemas, Inc.	582,230	2.35%
Revco Discount Drug	512,770	2.07%
Total	11,305,810	45.69%

Source:

Cuyahoga County Auditor

- (1) Assessed values are for the 2005 collection year.
- (2) Assessed values are for the 2000 collection year.

Cleveland Heights-University Heights City School District

Principal Taxpayers - Public Utilities Tax

As of December 31, 2005 and December 31, 2001

Table 11

	December 31, 2005	
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
New Cingular Wireless PCS LLC	10,061,120	36.09%
Cleveland Electric Illuminating Company	7,678,250	27.54%
Ohio Bell Telephone Company	4,744,640	17.02%
Total	\$ 22,484,010	80.65%
Name of Taxpayer	December 31, 2001	
Name of Taxpayer	Assessed Value (2)	Percent of Total Assessed Value
Cleveland Electric Illuminating Company	6,693,510	32.84%
Ohio Bell Telephone Company	6,211,080	30.48%
East Ohio Gas Company	1,431,590	7.02%
American Transmission	811,810	3.98%
Total	\$ 15,147,990	74.32%

Source:

Cuyahoga County Auditor

(1) Assessed values are for the 2006 collection year.

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

Cleveland Heights-University Heights City School District

Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2006

Table 12

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District ⁽¹⁾	Amount Applicable to School District
Direct			
Cleveland Heights-University Heights City School District	\$ 14,024,990	100.00%	\$ 14,024,990
Total Direct	14,024,990		14,024,990
Overlapping			
City of Cleveland Heights	30,659,000	70.17%	21,513,420
City of South Euclid	10,586,506	2.35%	248,783
City of University Heights	3,594,000	27.48%	987,631
Cuyahoga County	224,406,000	3.88%	8,706,953
Regional Transit Authority	136,440,196	3.88%	5,293,880
Total Overlapping	405,685,702		36,750,667
Grand Total	\$ 419,710,692		\$ 50,775,657

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 2006 collection year.

Cleveland Heights-University Heights City School District

Computation of Legal Debt Margin

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 ⁽²⁾
Assessed valuation	\$ 805,888,010	\$ 857,046,113	\$ 854,893,093	\$ 863,424,359	\$ 992,286,924	\$ 974,823,724	\$ 994,476,594	\$ 1,123,452,674	\$ 1,188,418,136	\$ 1,079,491,310
Debt limit – 9% of assessed value	72,529,921	77,134,150	76,940,378	77,708,192	89,305,822	87,734,135	89,502,893	101,110,741	106,957,632	97,154,218
Amount of debt applicable to debt limit:										
General obligation bonds	2,100,000	3,200,000	2,900,000	2,460,000	2,020,000	11,079,990	16,189,990	15,534,990	14,624,990	14,024,990
Tax anticipation note	-	-	1,600,000	1,600,000	1,000,000	400,000	-	-	-	-
Less: amount available in debt service fund	(12,617)	(12,617)	(11,006)	(11,006)	(11,006)	(9,317,193)	(81,071)	(258,667)	(394,441)	(574,741)
Total	<u>2,087,383</u>	<u>3,187,383</u>	<u>4,488,994</u>	<u>4,048,994</u>	<u>3,008,994</u>	<u>2,162,797</u>	<u>16,108,919</u>	<u>15,276,323</u>	<u>14,230,549</u>	<u>13,450,249</u>
Exemptions:										
Tax anticipation notes	-	-	1,600,000	1,600,000	1,000,000	400,000	-	-	-	-
Total exemptions	<u>-</u>	<u>-</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,000,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount of debt subject to the limit	2,087,383	3,187,383	2,888,994	2,448,994	2,008,994	1,762,797	16,108,919	15,276,323	14,230,549	13,450,249
Overall debt margin	<u>\$ 70,442,538</u>	<u>\$ 73,946,767</u>	<u>\$ 74,051,384</u>	<u>\$ 75,259,198</u>	<u>\$ 87,296,828</u>	<u>\$ 85,971,338</u>	<u>\$ 73,393,974</u>	<u>\$ 85,834,418</u>	<u>\$ 92,727,083</u>	<u>\$ 83,703,969</u>
Debt margin – .10% of assessed Value ⁽¹⁾	\$ 805,888	\$ 857,046	\$ 854,893	\$ 863,424	\$ 992,287	\$ 974,823	\$ 994,477	\$ 1,123,453	\$ 1,188,418	\$ 1,079,491
Amount of debt applicable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted debt margin	<u>\$ 805,888</u>	<u>\$ 857,046</u>	<u>\$ 854,893</u>	<u>\$ 863,424</u>	<u>\$ 992,287</u>	<u>\$ 974,823</u>	<u>\$ 994,477</u>	<u>\$ 1,123,453</u>	<u>\$ 1,188,418</u>	<u>\$ 1,079,491</u>

Source: Cuyahoga County Auditor and School District Financial Records

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

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

Cleveland Heights-University Heights City School District

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

As of December 31, 2005

Table I4

Fiscal Year	Gross General Bonded Debt ⁽¹⁾	Less		Assessed Value ⁽²⁾	Population ⁽³⁾	Ratio of Net Debt to Assessed Value	Debt Per Capita
		Debt Service Fund	Net General Bonded Debt				
2005/2006	\$ 14,024,990	\$ 574,741	\$ 13,450,249	\$ 1,119,823,261	64,915	1.20%	\$ 207
2004/2005	14,624,990	394,441	14,230,549	1,188,418,136	64,915	1.20%	219
2003/2004	15,534,990	258,667	15,276,323	1,123,452,674	64,915	1.36%	235
2002/2003	16,189,990	151,399	16,038,591	994,476,594	64,915	0.16%	247
2001/2002	11,079,990	9,484,932	1,595,058	974,823,724	64,915	0.16%	25
2000/2001	2,020,000	11,006	2,008,994	992,286,924	68,842	0.20%	29
1999/2000	2,460,000	11,006	2,448,994	863,424,359	64,915	0.28%	38
1998/1999	2,900,000	11,006	2,888,994	854,893,093	67,477	0.34%	43
1997/1998	1,800,000	48,320	1,751,680	857,046,113	67,785	0.20%	27
1996/1997	2,100,000	315,800	1,784,200	805,888,010	68,082	0.22%	31

Sources:

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

Cleveland Heights-University Heights City School District

Demographic and Economic Statistics

Last Ten Fiscal Years Table 15

Year	County Population(1)	Cleveland Heights Population(1)	University Heights Population(1)	School Enrollment(2)	Unemployment Rate(3)	Cleveland Hts. Median Family Income(1)	University Hts. Median Family Income(1)
2006	1,393,978	50,769	14,146	6,235	5.30%	\$ 58,028	\$ 75,424
2005	1,393,978	50,769	14,146	6,711	5.90%	58,028	75,424
2004	1,393,978	50,769	14,146	6,679	4.50%	58,028	75,424
2003	1,393,978	50,769	14,146	6,821	4.50%	58,028	75,424
2002	1,380,421	50,769	14,146	6,897	4.60%	58,028	75,424
2001	1,371,717	54,052	14,790	6,891	4.60%	58,028	75,424
2000	1,371,717	50,769	14,146	6,943	4.60%	58,028	75,424
1999	1,380,696	53,277	14,200	6,617	4.50%	43,541	N/A
1998	1,412,140	53,531	14,254	6,899	4.00%	43,541	N/A
1997	1,398,169	53,773	14,309	6,790	4.70%	43,541	N/A

Sources:

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

Cleveland Heights-University Heights City School District

Principal Employers

December 31, 2005 (1)

Table 16

<u>Employer</u>	<u>Nature of Business</u>	<u>2006</u> Number of Employees
Cleveland Heights-University Heights Board of Education	School district	1,164
John Carroll University	Education	585
Cleveland Heights City Hall	Government	502
Wal Mart	Retail	300
Kaiser Permanente	Health Care	300
Heinen's	Grocery/Retail	200
Kauffman's	Retail	200
Target	Retail	200
Tops	Grocery/Retail	190
Home Depot	Retail/Lumber	150
Total		<u><u>3,791</u></u>
Total Employment within the School District		<u><u>NA</u></u>

(1) – Information from 2001 not available

Source: Cities of Cleveland Heights and University Heights

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program

June 30, 2006

Table 17

Boulevard Elementary School		Oxford Elementary School	
Constructed in 1975		Constructed in 1928	
Total Building Square Footage	51,437	Total Building Square Footage	61,400
Enrollment Grades K-5	283	Enrollment Grades K-5	367
Regular Instruction Teachers	13	Regular Instruction Teachers	19
Special Instruction Teachers	6	Special Instruction Teachers	5
Canterbury Elementary School		Roxboro Elementary School	
Constructed in 1927		Constructed in 1920	
Total Building Square Footage	65,800	Total Building Square Footage	55,600
Enrollment Grades K-5	384	Enrollment Grades K-5	326
Regular Instruction Teachers	18	Regular Instruction Teachers	15
Special Instruction Teachers	6	Special Instruction Teachers	7
Coventry Elementary School		Monticello Middle School	
Constructed in 1975		Constructed in 1930	
Total Building Square Footage	61,200	Total Building Square Footage	130,000
Enrollment Grades K-5	357	Enrollment Grades 6-8	524
Regular Instruction Teachers	15	Regular Instruction Teachers	36
Special Instruction Teachers	7	Special Instruction Teachers	10
Fairfax Elementary School		Roxboro Middle School	
Constructed in 1975		Constructed in 1931	
Total Building Square Footage	59,000	Total Building Square Footage	113,380
Enrollment Grades K-5	392	Enrollment Grades 6-8	552
Regular Instruction Teachers	18	Regular Instruction Teachers	36
Special Instruction Teachers	14	Special Instruction Teachers	12
Gearity Elementary School		Wiley Middle School	
Constructed in 1954		Constructed in 1954	
Total Building Square Footage	70,856	Total Building Square Footage	133,127
Enrollment Grades K-5	216	Enrollment Grades 6-8	470
Regular Instruction Teachers	12	Regular Instruction Teachers	34
Special Instruction Teachers	7	Special Instruction Teachers	11
Noble Elementary School		Cleveland Heights High School	
Constructed in 1922		Constructed in 1925	
Total Building Square Footage	74,250	Total Building Square Footage	395,400
Enrollment Grades K-5	421	Enrollment Grades 9-12	1,943
Regular Instruction Teachers	20	Regular Instruction Teachers	113
Special Instruction Teachers	6	Special Instruction Teachers	51

Source: School District's appraisal reports and personnel records

Cleveland Heights-University Heights School District

Per Pupil Cost

Last Ten Fiscal Years Table 18

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students who Receive Free or Reduced Lunch (3)</u>
2006	\$ 83,685,378	6,235	\$ 13,422	8.20 %	491	12.70	51.09%
2005	80,024,949	6,451	12,405	(2.75) %	473	13.64	48.54%
2004	85,249,293	6,683	12,756	(12.85) %	581	11.50	44.32%
2003	99,842,231	6,821	14,637	15.61 %	610	11.18	43.64%
2002	87,326,278	6,897	12,661	7.69 %	595	11.59	37.96%
2001	81,019,903	6,891	11,757	(0.16) %	496	13.89	N/A
2000	81,761,201	6,943	11,776	(6.97) %	662	10.49	N/A
1999	83,755,390	6,617	12,658	22.06 %	591	11.20	N/A
1998	71,542,705	6,899	10,370	4.54 %	619	11.15	N/A
1997	67,359,876	6,790	9,920	2.92 %	642	10.58	N/A

Source: School District Records

- (1) Includes other financing uses. 1999 through 2006 reported on the modified accrual basis of accounting; all others reported on cash basis.
 - (2) Based upon EMIS information provided to the Ohio Department of Education.
 - (3) Information provided by School District's Food Service Department.
- N/A – Information not available.

Cleveland Heights-University Heights School District

Teacher Education

Last Five Fiscal Years Table 19

Degree	2002	2003	2004	2005	2006
Bachelor's Degree	174	162	143	132	106
Master's Degree	420	444	433	338	382
PhD	1	4	5	3	3
Total	595	610	581	473	491
Years of Experience					
0-5	193	233	77	142	43
6-10	75	106	98	97	82
11 and over	327	271	406	234	366
Total	595	610	581	473	491

Source: School District Personnel Records. Information prior to 2001 was not available.

Cleveland Heights-University Heights School District

Attendance and Graduation Rates

Last Five Fiscal Years Table 20

Year	District Attendance	State Average	District Graduation	State Average
	Rate	Average	Rate	Average
2006	93.8%	94.3%	89.1	86.2
2005	94.6%	94.5%	90.0	83.9
2004	94.6%	94.5%	88.0	84.3
2003	94.2%	94.3%	86.6	85.9
2002	93.8%	94.1%	78.3	86.2

Source: Ohio Department of Education Local Report Card. Information prior to 2001 was not available.

Cleveland Heights-University Heights City School District

Full-time School District Employees by Function

Last Two Fiscal Years

Table 21

	<u>2006</u>	<u>2005</u>
Function:		
Instruction:		
Regular	349	336
Special	118	114
Vocational	16	15
Adult/continuing	5	5
Other	3	3
Support services:		
Pupil	160	158
Instructional staff	67	66
Administration	44	50
Fiscal	18	17
Business	25	24
Operations of maintenance of plant	87	86
Pupil transportation	82	81
Central	25	25
Operations of non-instructional services:		
Community services	34	34
Other	1	1
Extracurricular activities	<u>20</u>	<u>20</u>
Total	<u>1,054</u>	<u>1,035</u>

Goals Statement

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

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



About The Cover

The cover shines a spotlight on the continued focus on academic achievement in our schools. Based on our students' performances on State Achievement tests, the Cleveland Heights – University Heights City School District has been ranked 'EFFECTIVE' by the Ohio Department of Education. This is the second-highest ranking given by the State.

In the past few years, our District has made extraordinary academic gains. The credit for these dramatic improvements goes to our exceptional students at every grade level, their families, and our dedicated staff.

About The Artwork

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



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

**Single Audit Reports
June 30, 2006**

Cleveland Heights – University Heights City School District

For the year ended June 30, 2006

Table of Contents

<u>Title</u>	<u>Page</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1-2
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	3-4
Schedule of Expenditures of Federal Awards.....	5-6
Notes to the Schedule of Expenditures of Federal Awards.....	7
Schedule of Findings OMB Circular A-133 Section .505	8
Response to Findings Associated with Audit Conducted in Accordance with <i>Government Auditing Standards</i>	10

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights - University Heights City School District (the “District”), as of and for the year ended June 30, 2006, which collectively comprise the District’s basic financial statements and have issued our report thereon dated November 29, 2006, wherein we noted that the District adopted *Government Accounting Standards Board Statements No. 42, 44, 46, and 47*. 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. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the District in a separate letter dated November 29, 2006.

Board of Education
Cleveland Heights – University Heights
City School District

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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2006-01.

We also noted certain immaterial instances of noncompliance and other matters which we have reported to management of the District in a separate letter dated November 29, 2006.

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

Cini & Panichi, Inc.

Cleveland, Ohio
November 29, 2006

**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, 2006. 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 its major federal program for the year ended June 30, 2006.

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 operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2006, and have issued our report there on dated October 19, 2006, wherein we noted that the District adopted *Government Accounting Standards Board Statements No. 42, 44, 46, and 47..*

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the District's basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Cini & Parichi, Inc.

Cleveland, Ohio
November 29, 2006

Cleveland Heights – University Heights City School District

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2006

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:						
Food Distribution	10.550	N/A	\$ -	\$ 45,538	\$ -	\$ 45,538
Nutrition Cluster:						
School Breakfast Program	10.553	05-PU-2005	25,929	-	25,929	-
School Breakfast Program	10.553	05-PU-2006	130,778	-	130,778	-
Subtotal School Breakfast Program			<u>156,707</u>	<u>-</u>	<u>156,707</u>	<u>-</u>
School Lunch Program	10.555	LL-P1-2005	2,872	-	2,872	-
School Lunch Program	10.555	LL-P1-2006	16,446	-	16,446	-
School Lunch Program	10.555	LL-P4-2005	161,528	-	161,528	-
School Lunch Program	10.555	LL-P4-2006	751,702	-	751,702	-
Subtotal National School Lunch Program			<u>932,548</u>	<u>-</u>	<u>932,548</u>	<u>-</u>
Total Nutrition Cluster			<u>1,089,255</u>	<u>-</u>	<u>1,089,255</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,089,255</u>	<u>45,538</u>	<u>1,089,255</u>	<u>45,538</u>
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Adult Education – State Grant Program	84.002	AB-S1-2005	14,405	-	29,118	-
Adult Education – State Grant Program	84.002	AB-S1-2006	110,997	-	221,457	-
Total Adult Education – State Grant Program			<u>125,402</u>	<u>-</u>	<u>250,575</u>	<u>-</u>
Title I	84.010	C1-S1-2005	10,631	-	16,938	-
Title I	84.010	C1-S1-2006	753,500	-	957,185	-
Title I	84.010	C1-SN-2005	6,355	-	-	-
Title I	84.010	C1-SN-2006	39,815	-	50,512	-
Total Title I			<u>810,301</u>	<u>-</u>	<u>1,024,635</u>	<u>-</u>
Special Education Cluster:						
Title VI-B	84.027	6B-SF-2005	365,287	-	121,871	-
Title VI-B	84.027	6B-SF-2006	1,653,150	-	1,568,789	-
Subtotal Title VI-B			<u>2,018,437</u>	<u>-</u>	<u>1,690,660</u>	<u>-</u>
Special Education – Preschool Grant	84.173	PG-S1-2005	5,107	-	-	-
Special Education – Preschool Grant	84.173	PG-S1-2006	42,521	-	44,530	-
Subtotal Preschool Grant			<u>47,628</u>	<u>-</u>	<u>44,530</u>	<u>-</u>
Total Special Education Cluster			<u>2,066,065</u>	<u>-</u>	<u>1,735,190</u>	<u>-</u>
Vocational Education	84.048	20-C1-2005	-	-	33,993	-
Vocational Education	84.048	20-C1-2006	247,452	-	254,523	-
Total Vocational Education			<u>247,452</u>	<u>-</u>	<u>288,516</u>	<u>-</u>
Safe and Drug Free Schools and Communities –						
Healthy Students Initiative	84.184L	N/A	1,461,891	-	1,955,375	-
Drug-Free Schools Grant	84.186	DR-S1-2005	10,709	-	2,257	-
Drug-Free Schools Grant	84.186	DR-S1-2006	31,353	-	40,218	-
Total Drug-Free Schools Grant			<u>42,062</u>	<u>-</u>	<u>42,475</u>	<u>-</u>
Even Start	84.213	EV-S1-2005	56,860	-	4,217	-
Even Start	84.213	EV-S1-2006	203,146	-	206,109	-
Total Even Start			<u>260,006</u>	<u>-</u>	<u>210,326</u>	<u>-</u>

Continued

The accompanying notes are an integral part of this schedule.

Cleveland Heights – University Heights City School District

Schedule of Expenditures of Federal Awards (continued)

For the year ended June 30, 2006

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: Smaller Learning Communities	84.215L	N/A	<u>191,791</u>	<u>-</u>	<u>138,520</u>	<u>-</u>
Twenty-First Century Community Learning	84.287	T1-A2-2006	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Innovative Education Program Strategy	84.298	C2-S1-2006	<u>20,714</u>	<u>-</u>	<u>23,993</u>	<u>-</u>
Technology Literacy Challenge Fund Grant	84.318	TJ-51-2005	<u>4,954</u>	<u>-</u>	<u>6,629</u>	<u>-</u>
Technology Literacy Challenge Fund Grant	84.318	TJ-51-2006	<u>8,084</u>	<u>-</u>	<u>15,458</u>	<u>-</u>
Total Technology Literacy Challenge Fund Grant			<u>13,038</u>	<u>-</u>	<u>22,087</u>	<u>-</u>
English Language Acquisition Grant	84.365	TS-S1-2005	<u>3,785</u>	<u>-</u>	<u>5,572</u>	<u>-</u>
English Language Acquisition Grant	84.365	TS-S1-2006	<u>21,438</u>	<u>-</u>	<u>21,640</u>	<u>-</u>
Total English Language Acquisition Grant			<u>25,223</u>	<u>-</u>	<u>27,212</u>	<u>-</u>
Improving Teacher Quality State Grant	84.367	MS-S1-2005	<u>34,207</u>	<u>-</u>	<u>15,250</u>	<u>-</u>
Improving Teacher Quality State Grant	84.367	MS-S1-2006	<u>282,871</u>	<u>-</u>	<u>289,330</u>	<u>-</u>
Total Improving Teacher Quality State Grant			<u>317,078</u>	<u>-</u>	<u>304,580</u>	<u>-</u>
Total U.S. Department of Education			<u>5,586,023</u>	<u>-</u>	<u>6,028,484</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	<u>318,736</u>	<u>-</u>	<u>318,736</u>	<u>-</u>
State Children’s Health Insurance Program	93.767	N/A	<u>23,596</u>	<u>-</u>	<u>23,596</u>	<u>-</u>
Passed-Through Department of Education: Refugee Children School Impact Program	93.576	RI-S1-2005	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>-</u>
Total Department of Health and Human Services			<u>343,582</u>	<u>-</u>	<u>343,582</u>	<u>-</u>
Corporation for National and Community Service:						
Learn and Serve America	94.004	SV-S1-2005	<u>5,887</u>	<u>-</u>	<u>425</u>	<u>-</u>
Learn and Serve America	94.004	SV-S1-2006	<u>1,500</u>	<u>-</u>	<u>4,533</u>	<u>-</u>
Total Learn and Serve America			<u>7,387</u>	<u>-</u>	<u>4,958</u>	<u>-</u>
Total Expenditures of Federal Awards			\$ <u>7,026,247</u>	\$ <u>45,538</u>	\$ <u>7,466,279</u>	\$ <u>45,538</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, 2006

Note 1: Significant Accounting Policies

Basis of Presentation

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

Non-Cash Support

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

CFDA – Catalog of Federal Domestic Assistance

Cleveland Heights – University Heights City School District

Schedule Of Findings
OMB Circular A-133 Section .505

June 30, 2006

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)?	Yes
(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	<ul style="list-style-type: none"> • Nutrition Cluster CFDA# No. 10.553 & 10.555 • Safe and Drug Free Schools and Communities – Healthy Students Initiative CFDA No. 84.184L
(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

2006-01

The following funds had expenditures plus encumbrances in excess of final appropriations, contrary to Ohio Revised Code 5705.41 (B) and (D):

Debt Service	\$ 1,259
Special Revenue Funds:	
Other Grants	168,714
Public School Preschool Grant	10,573
Summer School Subsidy	82,182
Drug Free Schools	2,716

Cleveland Heights – University Heights City School District

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

JUNE 30, 2006

3. Findings For Federal Awards

There were no findings for federal awards to report in 2006.

**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, 2006

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2006-01	The Treasurers office will monitor appropriations as compared to expenditures plus encumbrances.	6/30/07	Scott Gainer, Treasurer



Mary Taylor, CPA
Auditor of State

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 6, 2007