

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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



COLLEGE READY. LIFE PREPARED.



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Cleveland Heights-University Heights City School District, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2007 through June 30, 2008. 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

December 19, 2008

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INTRODUCTORY

Section



ANISSA MONROE
Grade 4, Boulevard Elementary



ASIA FAIR
Kindergarten, Boulevard Elementary



GLENN TAYLOR
Grade 2, Boulevard Elementary

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



COMPREHENSIVE ANNUAL FINANCIAL *Report*

*for the fiscal year
ended June 30, 2008*

MONEE YOUNG
Grade 4, Noble Elementary



ISSUED BY: FINANCE DEPARTMENT,
A. SCOTT GAINER, CHIEF FINANCIAL OFFICER



DEONTAE MAHONE
Grade 4, Noble 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, 2008

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A. Scott Gainer
Chief Financial Officer

December 11, 2008

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, 2008.

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

Ciuni & Panichi, Inc. (CPAs and Business Advisors), have issued an unqualified (“clean”) opinion on the Cleveland Heights-University Heights City School District’s financial statements for the year ended June 30, 2008. 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 610 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 5,767 students in grades kindergarten through twelve. Additionally, the District provides preschool, after school, and adult education services. The District covers approximately 9.6 square miles, serving the cities of Cleveland Heights, University Heights and a small portion of South Euclid, and is located approximately ten miles southeast of downtown Cleveland. Highlights of the history of the Cleveland Heights-University Heights City School District are as follows:

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

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

Local Economy

The District serves approximately 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 typically contributes to climbing property values, a key indicator of a community's economic health and stability where the primary "industry" is housing, although both communities have experienced a significant number of home foreclosures and flat or decreasing property values consistent with the overall trend in Ohio and nationally.

State funding of schools, 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 placed an operating levy of 7.2 mills on the November 2007 ballot which was passed by voters.

Long-Term Financial Planning

Financial Highlights - Internal Service Funds - The only internal service funds carried on the financial records of the District are related to self-insurance and the workers' compensation fund. These funds account for the revenues and expenses related to the provision of medical and workers' compensation program. The internal service funds had net assets of \$1,344,078 at June 30, 2008 compared with net assets of \$1,406,277 at June 30, 2008. The District is meeting its claim liability.

The most recent District five year forecast indicates a positive cash balance through 2011, with a \$5.2 million deficit beginning in 2012. 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 7.2 mills, which passed successfully. Funds from this levy are expected to extend the projected positive cash balance through 2011.

Relevant Financial Policies

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

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

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

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

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

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

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

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

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

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

The District has a comprehensive cash management program, which consists of expediting receipt of revenues and prudently depositing and investing available cash balances. The available cash of the District's individual funds is combined into a single cash pool and invested according to cash flow projections. The District invests in Certificates of Deposit, U.S. Treasury Notes, authorized Federal agency securities, and STAROhio, an investment pool operated by the Treasurer of the State of Ohio. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 2008, the District earned \$1,900,552 in interest income of which \$1,676,022 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 1,700 students - into five small learning communities. Three of the "small schools" opened in the 2004-2005 school year and the remaining two schools opened in the 2005-2006 school year. This initiative is based on research that demonstrates that smaller schools benefit all students, from high-performing to marginally achieving. Students graduate from small schools at higher rates than from traditional high schools, they earn higher grade point averages, and participate in extracurricular activities in greater numbers. All students receive more personalized attention than in traditional, large high schools. \$2 million was received by the District to implement this initiative from the Bill and Melinda Gates Foundation through the Knowledgeworks Foundation. Additionally, the District continues to be a partner in innovative programs such as an elementary Chinese language program with Sesame Street and a one-to-one laptop program with Apple, which will provide laptops to all teachers and students at the middle and high school levels.

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 was the closing of Coventry Elementary School beginning with the 2007-2008 school year. Additionally, the District successfully passed a 7.2 mill operating levy in November, 2007 and resolved contract negotiations favorably with District bargaining units.

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, 2007. This was the seventh 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.

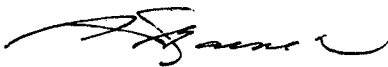
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2007. 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 2007

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, 2007

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.



Charles S. Cox

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, 2007

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

Grome E. Brendel

President

John D. Quasar

Executive Director



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

University Heights, Ohio

PRINCIPAL
Officers
as of
June 30, 2008

BOARD OF EDUCATION

Mr. Michael Cicero, President
Mr. Kal Zucker, Vice President
Mr. Eric Coble, Member
Ms. Nancy Pepler, Member
Mr. Ronald Register, Member

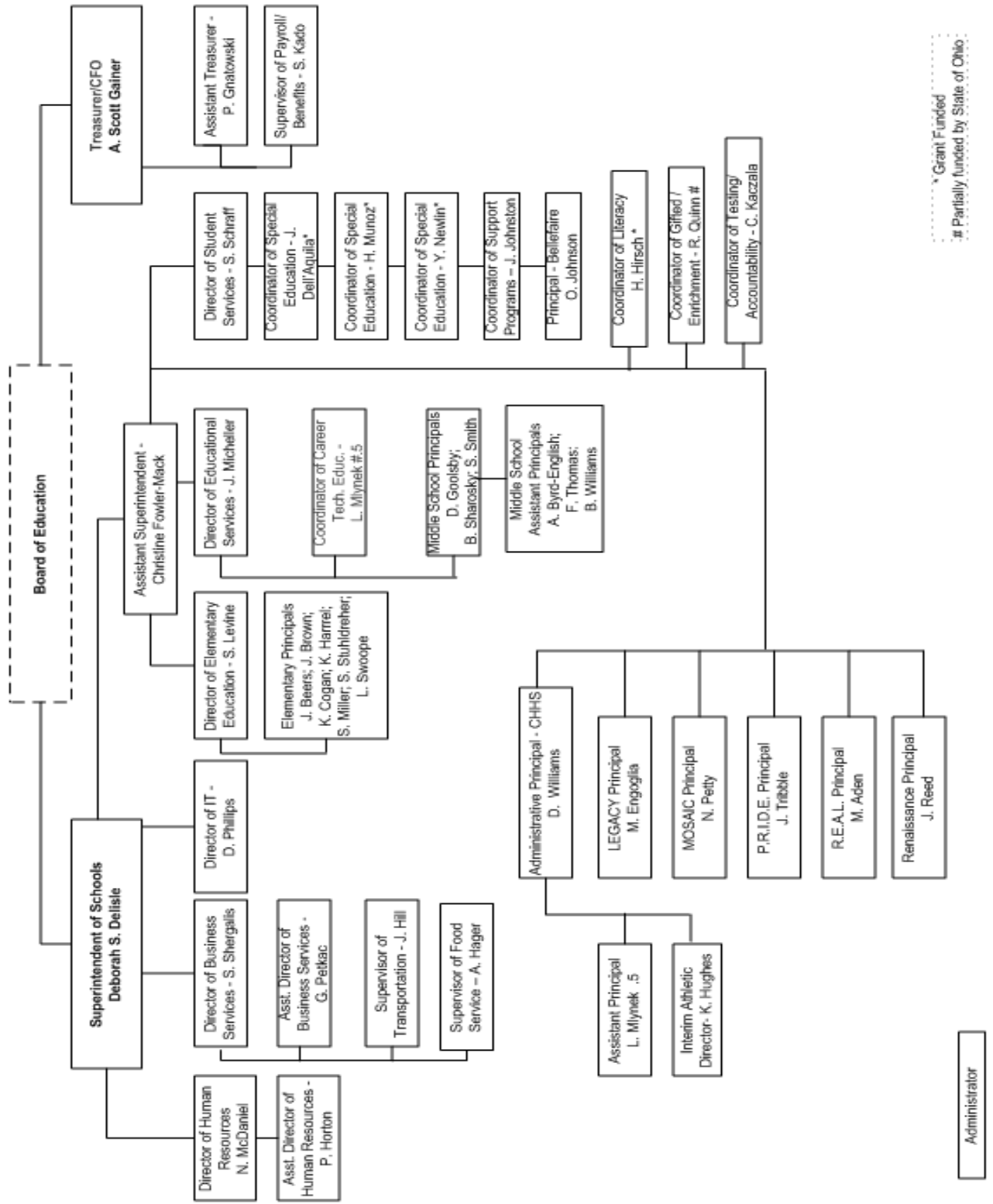
CHIEF FINANCIAL OFFICER

Mr. A. Scott Gainer

SUPERINTENDENT

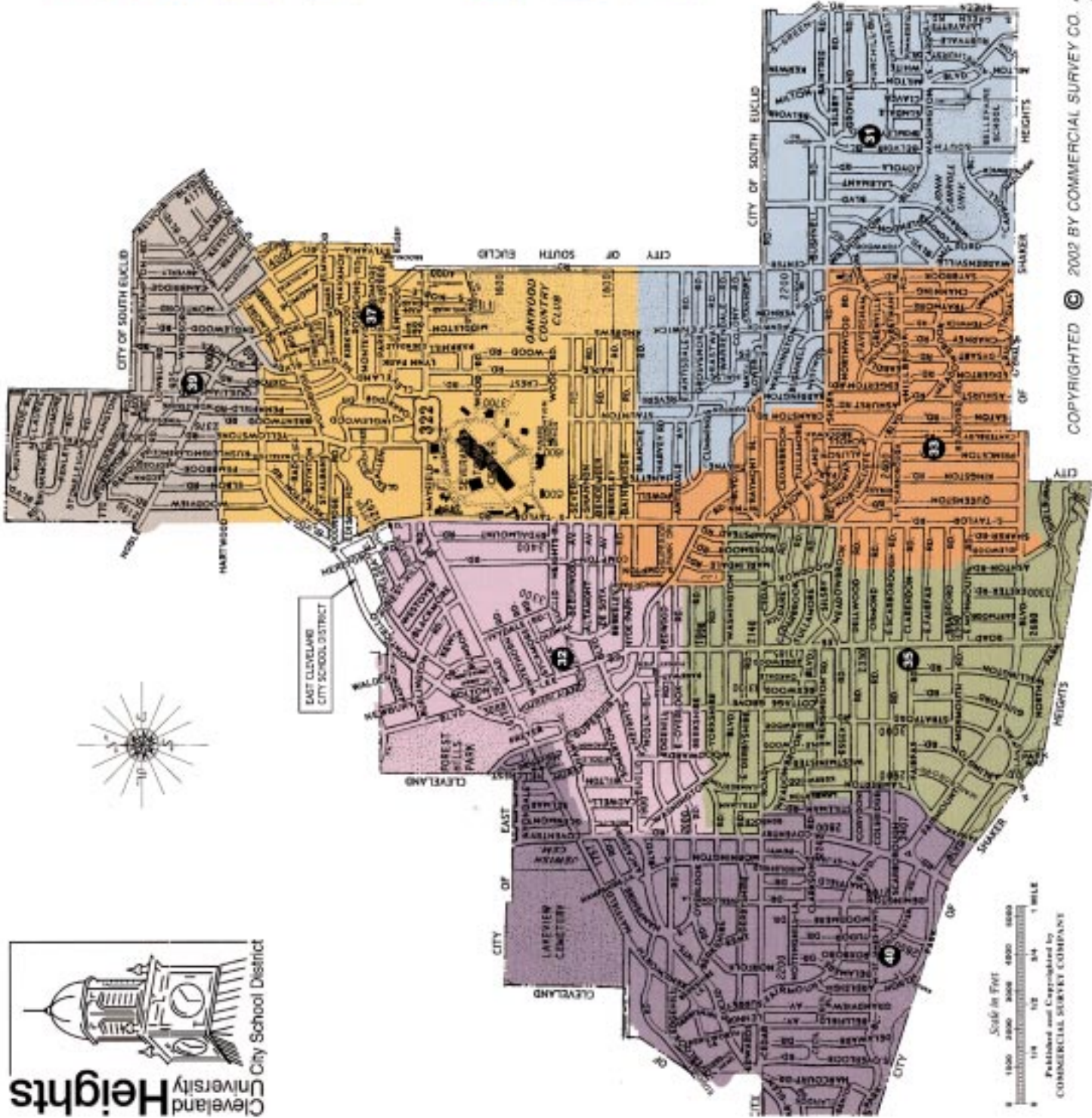
Mrs. Deborah S. Delisle

Cleveland Heights-University Heights
Board of Education
Organizational Chart for Administrators
2007-2008

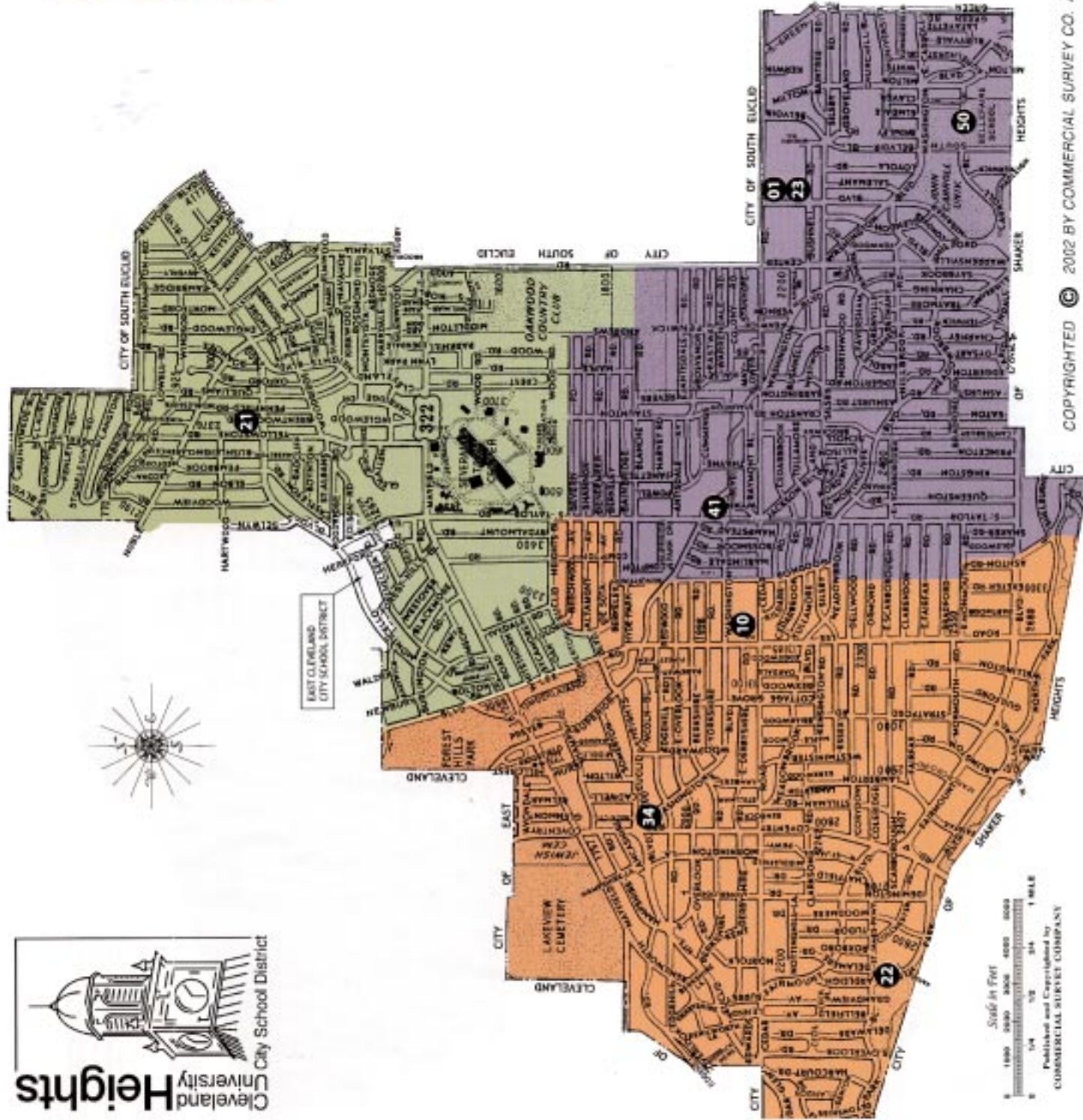


* Grant Funded
Partially funded by State of Ohio

Administrator



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



MIDDLE SCHOOLS

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

HIGH SCHOOL

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

OTHER SITES

- 01** Board of Education
 2155 Miramar Boulevard
 University Hts., OH 44118-3397
 216-371-7171
- 34** Coventry Building
 2843 Washington Boulevard
 Cleveland Hts., OH 44118-2012
- 41** Taylor
 14780 Superior Road
 Cleveland Hts., OH 44118-2143
 216-371-7171
- 50** Bellefaire School
 22001 Fairmount Boulevard
 Cleveland Hts., OH 44118-4998
 216-320-8700

FINANCIAL *Section*



KARA SCHNEIDER
Kindergarten, Canterbury Elementary



LAURA HARRIS-ODENBRETT
*Grade 4
Fairfax Elementary*



EVA SPENCER
Grade 1, Fairfax Elementary



ABIGAIL HERMES
Grade 5, Canterbury 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 year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights - University Heights City School District, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, during the year ended June 30, 2008, the Cleveland Heights - University Heights City School District implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)"; GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues"; and GASB Statement No. 50, "Pension Disclosures."

Board of Education
Cleveland Heights – University Heights
City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2008 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory 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
December 11, 2008

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2008

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, 2008. 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 2008 are as follows:

In total, net assets increased \$8,150,029 which is an improvement in the District's financial position. Net assets of governmental activities increased \$9,901,964, which represents a 12.02% increase from 2007. Net assets of business-type activities decreased \$1,751,935 or 109.52% from 2007.

For governmental activities, general revenues accounted for \$99,648,343 in revenue or 90% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$11,512,338 or 10% of total revenues of \$111,160,681.

The District had \$101,113,741 in expenses and transfers-out of \$144,976 related to governmental activities; only \$11,512,338 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 \$99,648,343 were able to provide for these programs resulting in an increase of net assets from \$82,362,112 to \$92,264,076.

The District had \$6,279,602 in expenses related to business-type activities; a total of \$4,382,691 was offset by program specific charges for services, grants and contributions. Transfers of \$144,976 were not adequate to provide for these programs by \$(1,751,935) resulting in a decrease of net assets from \$(1,599,668) to \$(3,351,603).

The District's major governmental funds were the General Fund, Debt Service Fund and Permanent Improvement Fund. The General Fund had \$97,578,046 in revenues and other financing sources and \$88,720,072 in expenditures and other financing uses. The General Fund balance increased \$8,857,974, from \$56,072,590 to \$64,930,564. The Debt Service Fund had \$1,566,745 in revenues and other financing sources and \$1,521,580 in expenditures. The Debt Service Fund balance increased \$45,165 from \$581,198 to \$626,363. The Permanent Improvement Fund had \$4,103,374 in revenues and \$3,455,152 in expenditures and other financing uses. The Permanent Improvement Fund balance increased \$648,222 from \$4,684,565 to \$5,332,787.

Using this Comprehensive Annual Financial Report (CAFR)

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

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2008

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

Reporting the School District as a Whole

The Statement of Net Assets and Statement of Activities

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 9 of the financial statements. The governmental fund financial statements begin on page 18 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 Fund. The Bellefaire General Rotary Fund is the District's only major enterprise fund.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2008

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2008 and 2007.

	Net Assets			
	Governmental Activities 2008	Business-Type Activities 2008	Governmental Activities 2007	Business-Type Activities 2007
Assets:				
Current and other assets	\$ 128,381,241	\$ (3,415,260)	\$ 114,765,538	\$ (1,758,895)
Capital assets	<u>37,611,014</u>	<u>687,993</u>	<u>36,563,053</u>	<u>721,008</u>
Total assets	<u>165,992,255</u>	<u>(2,727,267)</u>	<u>151,328,591</u>	<u>(1,037,887)</u>
Liabilities:				
Current and other liabilities	49,366,640	351,143	43,989,470	267,229
Long-term liabilities	<u>24,361,539</u>	<u>273,193</u>	<u>24,977,009</u>	<u>294,552</u>
Total liabilities	<u>73,728,179</u>	<u>624,336</u>	<u>68,966,479</u>	<u>561,781</u>
Net assets				
Invested in capital assets, net of debt	27,570,443	687,993	26,323,176	721,008
Restricted	6,023,996	-	5,259,926	-
Unrestricted (deficit)	<u>58,669,637</u>	<u>(4,039,596)</u>	<u>50,779,010</u>	<u>(2,320,676)</u>
Total net assets (deficit)	\$ <u>92,264,076</u>	\$ <u>(3,351,603)</u>	\$ <u>82,362,112</u>	\$ <u>(1,599,668)</u>

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2008

Total assets increased by \$12,974,284 mainly due to increases in cash, taxes receivable and capital assets, offset by a decrease in intergovernmental receivable.

Cash increased by \$6,414,600. Last year's cash balance of \$35,318,799 included restricted assets of \$3,923,579. This year's cash balance of \$41,733,399 includes restricted assets of \$4,344,945. Increase in cash is mainly due to the \$7.2 mill operating levy passed in November 2007. The District has also taken advantage of improved cash flow by maintaining an active investment plan, and management continues to focus on efforts to reduce expenditures. The increase in taxes receivable of \$9,595,955 is due to an increase in the County Budget Commission's Certificate of Estimated Resources estimate of property tax collections in fiscal year 2009 that relate to fiscal year 2008. Total capital assets increased by \$1,014,946 mainly due to \$796,303 of copier equipment and computers acquired through capital leases. Increase also due to construction in progress for lighting upgrades, HVAC replacement at Canterbury School and other renovations and improvements. Decrease in intergovernmental receivable is due to two main factors: tuition and Safe Schools grant monies. Additional tuition receivables outstanding as of June 30, 2007 related to special education services provided to other Districts. Most of the revenue was collected in fiscal year 2008, causing tuition receivable to decrease. Also, in fiscal year 2008, the District received all of the remaining federal funds for the Safe Schools program, further reducing intergovernmental receivable.

Total liabilities increased \$4,824,255 mainly due to an increase in unearned revenue directly related to the increase in taxes receivable discussed above.

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 \$6,171,707, mainly due the factors above offset by a decrease in the business-type activities net assets. Overall, the financial position of the District increased positively over 2007.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2008

	Changes in Net Assets			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
Revenues:				
Program revenues:				
Charges for services	\$ 2,935,238	\$ 2,797,964	\$ 3,710,130	\$ 3,338,919
Operating grants	8,472,391	1,584,727	9,388,747	1,457,295
Capital grants	104,709	-	46,513	-
Total program revenues	<u>11,512,338</u>	<u>4,382,691</u>	<u>13,145,390</u>	<u>4,796,214</u>
General revenues:				
Property taxes	70,462,717	-	60,959,204	-
Payments in lieu of property taxes	178,090	-	-	-
Grants and entitlements	25,907,434	-	23,469,550	-
Investment earnings	1,900,552	-	2,322,959	-
Miscellaneous	1,199,550	-	856,666	-
Total general revenues	<u>99,648,343</u>	<u>-</u>	<u>87,608,379</u>	<u>-</u>
Total revenues	<u>111,160,681</u>	<u>4,382,691</u>	<u>100,753,769</u>	<u>4,796,214</u>
Program expenses:				
Instruction:				
Regular	36,794,327	-	35,895,404	-
Special	9,531,722	-	9,844,902	-
Vocational	1,738,386	-	1,701,696	-
Adult/continuing	981,637	-	270,336	-
Other instruction	3,152,431	-	2,728,650	-
Support services:				
Pupil	8,713,755	-	9,342,399	-
Instructional staff	6,024,296	-	5,271,776	-
Board of education	545,385	-	484,231	-
Administration	7,041,253	-	6,281,020	-
Fiscal	2,077,340	-	2,177,550	-
Business	1,881,251	-	2,299,809	-
Operation and maintenance of plant	11,149,385	-	10,444,810	-
Pupil transportation	4,265,255	-	3,909,255	-
Central	2,825,873	-	2,874,077	-
Operations of non-instructional services	2,065,415	-	2,467,145	-
Extracurricular activities	1,612,459	-	1,524,317	-
Interest and fiscal charges	713,571	-	673,878	-
Food service	-	2,599,332	-	2,248,241
Uniform school supplies	-	92,805	-	65,933
Customer services	-	15,811	-	12,347
Community services/early childhood	-	616,929	-	739,277
Bellefaire general rotary	-	2,954,725	-	2,892,502
Total program expenses	<u>101,113,741</u>	<u>6,279,602</u>	<u>98,191,255</u>	<u>5,958,300</u>
Increase (decrease) in net assets before transfers				
	10,046,940	(1,896,911)	2,562,514	(1,162,086)
Transfers				
	(144,976)	144,976	(2,585)	2,585
Increase (decrease) in net assets				
	9,901,964	(1,751,935)	2,559,929	(1,159,501)
Net assets (deficit) at beginning of year				
	82,362,112	(1,599,668)	79,802,183	(440,167)
Net assets (deficit) at end of year				
	<u>\$ 92,264,076</u>	<u>\$ (3,351,603)</u>	<u>\$ 82,362,112</u>	<u>\$ (1,599,668)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2008

Governmental Activities

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

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value was increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 61 percent of total revenues for the District in fiscal year 2008.

Instruction and support services comprise 52 percent and 44 percent of governmental program expenses, respectively. Interest expense was less than 1 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects. Overall, governmental program expenses increased approximately \$2.9 million, mainly due to an increase in regular instruction, adult/continuing instruction, other instruction, instructional staff and administration expenses. Step-increases in employee wages and benefits and increases in professional service fees contributed significantly to the overall increases.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2008 and 2007. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities				
	<u>Total Cost of</u>	<u>Net Cost of</u>	<u>Total Cost of</u>	<u>Net Cost of</u>
	<u>Services 2008</u>	<u>Services 2008</u>	<u>Services 2007</u>	<u>Services 2007</u>
Program expenses:				
Instruction	\$ 52,198,503	\$ 43,189,462	\$ 50,440,988	\$ 39,799,841
Support services:				
Pupil and instructional staff	14,738,051	14,508,007	14,614,175	14,361,043
Board of education, administration, fiscal and business	11,545,229	11,535,154	11,242,610	11,210,130
Operation and maintenance - plant	11,149,385	11,129,808	10,444,810	10,368,476
Pupil transportation	4,265,255	4,126,805	3,909,255	3,834,180
Central services	2,825,873	2,783,873	2,874,077	2,832,077
Operation of non-instructional services	2,065,415	102,684	2,467,145	534,539
Extracurricular activities	1,612,459	1,512,039	1,524,317	1,431,701
Interest and fiscal charges	713,571	713,571	673,878	673,878
Total program expenses	\$ <u>101,113,741</u>	\$ <u>89,601,403</u>	\$ <u>98,191,255</u>	\$ <u>85,045,865</u>

The dependence upon tax revenues during fiscal year 2008 for governmental activities is apparent.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2008

Business-Type Activities

Business-type activities include Bellefaire, food service operation, uniform supplies, customer services and community services/early childhood. These programs had revenues, including transfers-in of \$4,527,667 and expenses of \$6,279,602 for fiscal year 2008. The Bellefaire General Rotary Fund had expenses of \$2,954,725 and revenues of \$1,538,587. This resulted in a decrease of net assets for the fiscal year of \$1,416,138, mainly due to a decrease in state funds of approximately \$500,000 from the prior year. The other enterprise funds had expenses of \$3,324,877 and revenues, including transfers - in of \$2,989,080. This resulted in a decrease to net assets for the fiscal year of \$335,797, mainly due to an increase in food services expenses. The District hired outside consultants in fiscal year 2008 to manage the food services department in an effort to reverse losses in food services operations. 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 \$71,185,034, an increase of \$9,915,136 in comparison with the prior year. Approximately 49 percent of this total amount, \$35,151,492 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 \$2,706,536, 2) to pay debt service \$309,703, 3) for property tax advances that do not represent available financial resources \$31,748,999 or 4) for inventory and textbooks \$1,268,304.

The General Fund is the chief operating fund of the District. The District's General Fund balance increased by \$8,857,974, mainly due to an increase in property taxes and intergovernmental revenue during 2008. The table that follows assists in illustrating the revenues of the General Fund.

	2008	2007	Percentage
<u>Revenues</u>	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
Taxes	\$ 66,392,483	\$ 58,560,787	13%
Interest earnings	1,676,022	2,155,020	(22)%
Intergovernmental	27,275,330	25,368,189	8%
Other revenue	<u>1,437,908</u>	<u>2,361,594</u>	(39)%
Total	\$ <u>96,781,743</u>	\$ <u>88,445,590</u>	

The property tax revenue increased \$7,831,696. This increase is directly related to the \$7.2 mill operating levy passed in November 2007.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2008

Interest earnings decreased \$478,998 which is directly related to lower interest rates due to the state of the economy.

Other revenue decreased \$923,686. This decrease is due to decrease in tuition revenue of \$973,060. The decrease in tuition revenue relates to additional tuition receivables outstanding as of June 30, 2007 related to special education services provided to other Districts. Most of the revenue was collected in fiscal year 2008.

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

<u>Expenditures by Function</u>	<u>2008 Amount</u>	<u>2007 Amount</u>	<u>Percentage Change</u>
Instruction	\$ 46,237,857	\$ 44,326,972	4%
Support services	40,335,307	38,984,636	3%
Other non-instructional services	114,209	108,019	6%
Extracurricular activities	1,128,355	1,129,566	(0.1)%
Debt service	207,114	-	100%
Total	\$ <u>88,022,842</u>	\$ <u>84,549,193</u>	

Overall, increase in instruction, support services, and other non-instructional services increased due to a step-increase in employee wages.

The Debt Service Fund has a total fund balance of \$626,363, \$309,703 is reserved for the payment of debt service and \$316,660 is reserved for property tax advances that do not represent available financial resources. Property tax revenue and debt payments remained fairly consistent compared to the prior year resulting in a net increase in fund balance during the current year of \$45,165.

The Permanent Improvement Fund has a total fund balance of \$5,332,787. \$415,696 is reserved for encumbrances, \$1,532,515 is reserved for property tax advances that do not represent available financial resources and \$3,384,576 was unreserved. The net increase in fund balance during the current year was \$648,222 due to a decrease in capital outlay expenditures during fiscal year 2008.

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, 2008

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 2008, 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 2008. During the course of fiscal year 2008, the total budget was changed several times. For the General Fund, final budgeted revenues and other financing sources were \$94,096,501. Actual revenues and other financing sources for fiscal year 2008 were \$94,690,138. Actual differed from final budget mainly due to higher than anticipated collection of tuition revenue and miscellaneous receipts. General Fund original appropriations and other financing uses of \$95,803,435 increased to \$97,838,191 in the final budget. The actual expenditures and other financing uses for fiscal year 2008 totaled \$91,306,125, which was \$6,532,066 less than the final budget appropriations. Actual differed from final budget mainly due to lower than anticipated salaries and wages expenses for regular instruction as well as prudent spending overall by the District in fiscal year 2008.

Capital Assets

The District had \$38,299,007 invested in capital assets net of depreciation, with \$37,611,014 attributed to government activities. Acquisition for government activities totaled \$2,150,214 and depreciation was \$1,102,253. As mentioned before, the majority of the additions were for computers and copier equipment. Detailed information regarding capital asset activities is included in the notes to the basic financial statements (Note 10).

Debt

At June 30, 2008, the District had \$17,509,871 in outstanding long-term bond debt and of this amount \$839,871 was due within one year. The District paid \$846,748 in principal on bonds outstanding. The District had capital leases of \$750,571 outstanding at June 30, 2008, with \$320,998 due within one year. The District paid \$300,609 on capital leases outstanding. Detailed information regarding long-term debt activity and capital lease obligations activity is included in the notes to the basic financial statements (Notes 15 and 16, respectively).

Economic Factors

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2008

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.

CHENISE BROWN
Grade 1, Noble Elementary



BROOKLYN MCPHERSON
Grade 4, Noble Elementary



CHANCE POPE
Grade 1, Noble Elementary



DIONNA SORRELLS
Grade 3, Noble Elementary

BASIC FINANCIAL

Statements



KAI LOCKHART
Grade 4, Noble Elementary



ALEXANDER BUFFINGTON
Grade 5, Gearity Professional Development School



EMILY CASSADY
Grade 1, Noble Elementary



DAVID ADAMS
Kindergarten, Noble Elementary

Cleveland Heights-University Heights City School District

Statement of Net Assets

June 30, 2008

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 37,144,011	\$ 244,443	\$ 37,388,454
Accounts receivable	191,376	-	191,376
Prepaid items	206,448	-	206,448
Intergovernmental receivable	1,442,989	2,124,354	3,567,343
Internal balances	5,802,257	(5,802,257)	-
Materials and supplies inventory	347,853	5,538	353,391
Inventory held for resale	-	12,662	12,662
Taxes receivable	78,901,362	-	78,901,362
Restricted cash and investments	4,344,945	-	4,344,945
Nondepreciable capital assets	2,596,818	-	2,596,818
Depreciable capital assets, net	<u>35,014,196</u>	<u>687,993</u>	<u>35,702,189</u>
Total assets	<u>165,992,255</u>	<u>(2,727,267)</u>	<u>163,264,988</u>
Liabilities:			
Accounts payable	1,236,075	109,719	1,345,794
Accrued wages and benefits	1,029,753	31,815	1,061,568
Matured compensated absences	636,235	-	636,235
Intergovernmental payable	3,212,779	209,609	3,422,388
Unearned revenue	41,421,782	-	41,421,782
Claims payable	1,780,200	-	1,780,200
Accrued interest payable	49,816	-	49,816
Long-term liabilities:			
Due within one year	1,575,346	42,007	1,617,353
Due in more than one year	<u>22,786,193</u>	<u>231,186</u>	<u>23,017,379</u>
Total liabilities	<u>73,728,179</u>	<u>624,336</u>	<u>74,352,515</u>
Net assets:			
Invested in capital assets, net of related debt	27,570,443	687,993	28,258,436
Restricted for:			
Capital projects	1,927,491	-	1,927,491
Debt service	617,346	-	617,346
Other purposes	54,665	-	54,665
Qualified zone academy bond retirement	3,424,494	-	3,424,494
Unrestricted (deficit)	<u>58,669,637</u>	<u>(4,039,596)</u>	<u>54,630,041</u>
Total net assets (deficit)	\$ <u>92,264,076</u>	\$ <u>(3,351,603)</u>	\$ <u>88,912,473</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, 2008

	<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	\$ 36,794,327	\$ 293,408	\$ 4,001,706	\$ -
Special	9,531,722	2,376,298	1,810,241	-
Vocational	1,738,386	11,122	265,483	-
Adult/continuing	981,637	5,465	245,318	-
Other instruction	3,152,431	-	-	-
Support services:				
Pupil	8,713,755	-	173,942	43,132
Instructional staff	6,024,296	-	12,970	-
Board of education	545,385	-	-	-
Administration	7,041,253	10,075	-	-
Fiscal	2,077,340	-	-	-
Business	1,881,251	-	-	-
Operations and maintenance of plant	11,149,385	-	-	19,577
Pupil transportation	4,265,255	138,450	-	-
Central	2,825,873	-	-	42,000
Operation of non-instructional services:				
Community services	2,065,415	-	1,962,731	-
Extracurricular activities	1,612,459	100,420	-	-
Interest and fiscal charges	713,571	-	-	-
Total governmental activities	<u>101,113,741</u>	<u>2,935,238</u>	<u>8,472,391</u>	<u>104,709</u>
Business-type activities:				
Food services	2,599,332	584,762	1,584,727	-
Uniform school supplies	92,805	65,986	-	-
Customer services	15,811	2,240	-	-
Community services/early childhood	616,929	606,389	-	-
Bellefaire general rotary	2,954,725	1,538,587	-	-
Total business-type activities	<u>6,279,602</u>	<u>2,797,964</u>	<u>1,584,727</u>	<u>-</u>
Totals	\$ <u>107,393,343</u>	\$ <u>5,733,202</u>	\$ <u>10,057,118</u>	\$ <u>104,709</u>

General revenues:
 Property taxes levies for:
 General purpose
 Debt service
 Capital projects
 Payments in lieu of property taxes
 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>
\$ (32,499,213)	\$ -	\$ (32,499,213)
(5,345,183)	-	(5,345,183)
(1,461,781)	-	(1,461,781)
(730,854)	-	(730,854)
(3,152,431)	-	(3,152,431)
(8,496,681)	-	(8,496,681)
(6,011,326)	-	(6,011,326)
(545,385)	-	(545,385)
(7,031,178)	-	(7,031,178)
(2,077,340)	-	(2,077,340)
(1,881,251)	-	(1,881,251)
(11,129,808)	-	(11,129,808)
(4,126,805)	-	(4,126,805)
(2,783,873)	-	(2,783,873)
(102,684)	-	(102,684)
(1,512,039)	-	(1,512,039)
<u>(713,571)</u>	<u>-</u>	<u>(713,571)</u>
<u>(89,601,403)</u>	<u>-</u>	<u>(89,601,403)</u>
-	(429,843)	(429,843)
-	(26,819)	(26,819)
-	(13,571)	(13,571)
-	(10,540)	(10,540)
<u>-</u>	<u>(1,416,138)</u>	<u>(1,416,138)</u>
<u>-</u>	<u>(1,896,911)</u>	<u>(1,896,911)</u>
<u>(89,601,403)</u>	<u>(1,896,911)</u>	<u>(91,498,314)</u>
66,578,842	-	66,578,842
648,181	-	648,181
3,235,694	-	3,235,694
178,090	-	178,090
25,907,434	-	25,907,434
1,900,552	-	1,900,552
<u>1,199,550</u>	<u>-</u>	<u>1,199,550</u>
99,648,343	-	99,648,343
<u>(144,976)</u>	<u>144,976</u>	<u>-</u>
<u>99,503,367</u>	<u>144,976</u>	<u>99,648,343</u>
9,901,964	(1,751,935)	8,150,029
<u>82,362,112</u>	<u>(1,599,668)</u>	<u>80,762,444</u>
\$ <u>92,264,076</u>	\$ <u>(3,351,603)</u>	\$ <u>88,912,473</u>

Cleveland Heights-University Heights City School District

Balance Sheet – Governmental Funds

June 30, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 30,706,480	\$ 309,703	\$ 684,411	\$ 1,468,358	\$ 33,168,952
Accounts receivable	191,376	-	-	-	191,376
Intergovernmental receivable	787,406	-	-	655,583	1,442,989
Interfund receivable	7,106,035	-	-	-	7,106,035
Materials and supplies inventory	347,853	-	-	-	347,853
Taxes receivable	74,572,080	688,681	3,640,601	-	78,901,362
Restricted cash and investments	<u>920,451</u>	<u>-</u>	<u>3,424,494</u>	<u>-</u>	<u>4,344,945</u>
Total assets	<u>\$ 114,631,681</u>	<u>\$ 998,384</u>	<u>\$ 7,749,506</u>	<u>\$ 2,123,941</u>	<u>\$ 125,503,512</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 748,242	\$ -	\$ 308,633	\$ 161,700	\$ 1,218,575
Accrued wages and benefits	1,012,075	-	-	17,678	1,029,753
Interfund payable	-	-	-	1,303,778	1,303,778
Matured compensated absences	636,235	-	-	-	636,235
Intergovernmental payable	2,046,365	-	-	126,685	2,173,050
Deferred revenue	<u>45,258,200</u>	<u>372,021</u>	<u>2,108,086</u>	<u>218,780</u>	<u>47,957,087</u>
Total liabilities	<u>49,701,117</u>	<u>372,021</u>	<u>2,416,719</u>	<u>1,828,621</u>	<u>54,318,478</u>
Fund balances:					
Reserved for encumbrances	1,896,881	-	415,696	393,959	2,706,536
Reserved for inventory	347,853	-	-	-	347,853
Reserved for property taxes	29,899,824	316,660	1,532,515	-	31,748,999
Reserved for debt	-	309,703	-	-	309,703
Reserve for textbooks	920,451	-	-	-	920,451
Unreserved; undesignated for:					
General fund	31,865,555	-	-	-	31,865,555
Special revenue funds	-	-	-	(144,420)	(144,420)
Capital projects funds	<u>-</u>	<u>-</u>	<u>3,384,576</u>	<u>45,781</u>	<u>3,430,357</u>
Total fund balances	<u>64,930,564</u>	<u>626,363</u>	<u>5,332,787</u>	<u>295,320</u>	<u>71,185,034</u>
Total liabilities and fund balances	<u>\$ 114,631,681</u>	<u>\$ 998,384</u>	<u>\$ 7,749,506</u>	<u>\$ 2,123,941</u>	<u>\$ 125,503,512</u>

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

Cleveland Heights-University Heights City School District

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

June 30, 2008

Total governmental funds balances \$ 71,185,034

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. 37,611,014

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

Property and other taxes	\$ 5,691,051	
Payments in lieu of property taxes	93,001	
Tuition	532,474	
Grants	<u>218,779</u>	
Total		6,535,305

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. 1,344,078

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

Library Improvement Bonds	(8,219,871)	
Energy Conservation Bonds	(3,790,000)	
Qualified Zone Academy Bonds	(5,500,000)	
Capital leases	(750,571)	
Accrued interest payable	(49,816)	
Compensated absences	<u>(6,101,097)</u>	
Total		<u>(24,411,355)</u>

Net assets of governmental activities \$ 92,264,076

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, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 66,392,483	\$ 657,198	\$ 3,259,628	\$ -	\$ 70,309,309
Payments in lieu of property taxes	85,089	-	-	-	85,089
Intergovernmental	27,275,330	78,478	411,966	9,899,339	37,665,113
Tuition and fees	718,184	-	-	-	718,184
Earnings on investments	1,676,022	-	177,225	47,305	1,900,552
Extracurricular activities	-	-	-	225,465	225,465
Classroom materials and fees	-	-	-	26,783	26,783
Miscellaneous	<u>634,635</u>	<u>-</u>	<u>254,555</u>	<u>950,948</u>	<u>1,840,138</u>
Total revenues	<u>96,781,743</u>	<u>735,676</u>	<u>4,103,374</u>	<u>11,149,840</u>	<u>112,770,633</u>
Expenditures:					
Current:					
Instruction:					
Regular	33,052,402	-	-	3,436,900	36,489,302
Special	8,425,055	-	-	1,150,327	9,575,382
Vocational	1,573,265	-	-	145,276	1,718,541
Adult/continuing	34,704	-	-	984,729	1,019,433
Other instruction	3,152,431	-	-	-	3,152,431
Support services:					
Pupil	7,755,086	-	-	963,780	8,718,866
Instructional staff	4,584,739	-	-	1,407,893	5,992,632
Board of education	545,385	-	-	-	545,385
Administration	6,577,038	-	-	514,922	7,091,960
Fiscal	2,076,801	-	-	-	2,076,801
Business	2,249,394	-	-	-	2,249,394
Operations and maintenance of plant	9,836,849	-	490,226	4,464	10,331,539
Pupil transportation	4,025,061	-	-	55,808	4,080,869
Central	2,684,954	-	-	241,161	2,926,115
Operation of non-instructional services:					
Community services	8,494	-	-	1,957,145	1,965,639
Other non-instructional services	105,715	-	-	-	105,715
Extracurricular activities	1,128,355	-	-	390,344	1,518,699
Capital outlay	-	-	2,006,075	85,570	2,091,645
Debt services:					
Principal	180,945	846,748	119,664	-	1,147,357
Interest and fiscal charges	<u>26,169</u>	<u>674,832</u>	<u>8,118</u>	<u>-</u>	<u>709,119</u>
Total expenditures	<u>88,022,842</u>	<u>1,521,580</u>	<u>2,624,083</u>	<u>11,338,319</u>	<u>103,506,824</u>
Excess of revenues over (under) expenditures	<u>8,758,901</u>	<u>(785,904)</u>	<u>1,479,291</u>	<u>(188,479)</u>	<u>9,263,809</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, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):					
Inception of capital leases	796,303	-	-	-	796,303
Transfers - in	-	831,069	-	552,254	1,383,323
Transfers - out	<u>(697,230)</u>	<u>-</u>	<u>(831,069)</u>	<u>-</u>	<u>(1,528,299)</u>
Total other financing sources (uses)	<u>99,073</u>	<u>831,069</u>	<u>(831,069)</u>	<u>552,254</u>	<u>651,327</u>
Net change in fund balance	8,857,974	45,165	648,222	363,775	9,915,136
Fund balance at beginning of year	<u>56,072,590</u>	<u>581,198</u>	<u>4,684,565</u>	<u>(68,455)</u>	<u>61,269,898</u>
Fund balance at end of year	\$ <u><u>64,930,564</u></u>	\$ <u><u>626,363</u></u>	\$ <u><u>5,332,787</u></u>	\$ <u><u>295,320</u></u>	\$ <u><u>71,185,034</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, 2008

Net change in fund balances - total governmental funds \$ 9,915,136

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	\$ 2,150,214	
Depreciation	<u>(1,102,253)</u>	
Total		1,047,961

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	153,408	
Payments in lieu of property taxes	93,001	
Tuition	(506,680)	
Intergovernmental	<u>(1,349,681)</u>	
Total		(1,609,952)

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. (62,199)

Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to the inception of capital leases. (796,303)

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 1,147,357

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	264,416	
Accrued interest	<u>(4,452)</u>	
Total		<u>259,964</u>

Change in net assets of governmental activities \$ 9,901,964

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 Balance Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 61,000,000	\$ 63,500,000	\$ 61,869,835	\$ (1,630,165)
Intergovernmental	24,700,000	25,832,680	27,292,382	1,459,702
Tuition and fees	1,622,500	1,632,622	1,961,057	328,435
Earnings on investments	2,000,000	1,600,000	1,676,022	76,022
Miscellaneous	30,000	201,527	561,170	359,643
Total revenues	<u>89,352,500</u>	<u>92,766,829</u>	<u>93,360,466</u>	<u>593,637</u>
Expenditures:				
Current:				
Instruction:				
Regular	36,328,607	36,345,517	32,997,817	3,347,700
Special	9,010,396	8,995,151	8,439,174	555,977
Vocational	1,609,824	1,647,470	1,629,516	17,954
Adult/continuing	-	34,704	34,704	-
Other	3,357,911	3,438,937	3,159,973	278,964
Support services:				
Pupil	7,927,427	8,018,728	7,819,751	198,977
Instructional staff	4,705,132	4,819,515	4,679,002	140,513
Board of education	553,395	633,095	559,595	73,500
Administration	5,948,161	6,391,286	6,378,233	13,053
Fiscal services	2,306,185	2,306,314	2,128,374	177,940
Business	1,874,010	1,949,829	1,883,700	66,129
Operation and maintenance of plant	12,115,559	12,318,190	11,499,545	818,645
Pupil transportation	4,954,405	4,608,076	4,066,702	541,374
Central services	2,890,553	2,977,554	2,803,077	174,477
Operation of non-instructional services:				
Community services	20,000	16,267	9,870	6,397
Other non-instructional services	95,138	104,071	104,071	-
Extracurricular activities:				
Academic and subject oriented	219,639	291,866	291,866	-
Occupation oriented	4,271	4,464	4,464	-
Sports oriented	952,162	837,797	717,331	120,466
Co-curricular activities	30,660	72,605	72,605	-
Total expenditures	<u>94,903,435</u>	<u>95,811,436</u>	<u>89,279,370</u>	<u>6,532,066</u>
Excess of revenues over (under) expenditures	<u>(5,550,935)</u>	<u>(3,044,607)</u>	<u>4,081,096</u>	<u>7,125,703</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Advances - in	500,000	1,329,672	1,329,672	-
Transfers - out	(400,000)	(697,230)	(697,230)	-
Advances - out	<u>(500,000)</u>	<u>(1,329,525)</u>	<u>(1,329,525)</u>	-
Total other financing sources (uses)	<u>(400,000)</u>	<u>(697,083)</u>	<u>(697,083)</u>	-
Net change in fund balance	(5,950,935)	(3,741,690)	3,384,013	7,125,703
Fund balance beginning of year	24,049,653	24,049,653	24,049,653	-
Prior year encumbrances appropriated	<u>2,174,883</u>	<u>2,174,883</u>	<u>2,174,883</u>	-
Fund balance end of year	\$ <u>20,273,601</u>	\$ <u>22,482,846</u>	\$ <u>29,608,549</u>	\$ <u>7,125,703</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, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Internal
	General	Enterprise		Service
	Rotary			Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 197,095	\$ 47,348	\$ 244,443	\$ 3,975,059
Prepaid items	-	-	-	206,448
Intergovernmental receivable	2,124,354	-	2,124,354	-
Materials and supplies inventories	-	5,538	5,538	-
Inventory held for resale	-	<u>12,662</u>	<u>12,662</u>	-
Total current assets	<u>2,321,449</u>	<u>65,548</u>	<u>2,386,997</u>	<u>4,181,507</u>
Non-current assets:				
Capital assets, net of depreciation	<u>19,905</u>	<u>668,088</u>	<u>687,993</u>	<u>-</u>
Total assets	<u>2,341,354</u>	<u>733,636</u>	<u>3,074,990</u>	<u>4,181,507</u>
Liabilities:				
Current liabilities:				
Accounts payable	82,106	27,613	109,719	17,500
Accrued wages and benefits	27,240	4,575	31,815	-
Interfund payable	4,627,960	1,174,297	5,802,257	-
Intergovernmental payable	72,168	137,441	209,609	1,039,729
Claims payable	-	-	-	1,780,200
Current portion of accrued compensated absences	<u>36,957</u>	<u>5,050</u>	<u>42,007</u>	<u>-</u>
Total current liabilities	<u>4,846,431</u>	<u>1,348,976</u>	<u>6,195,407</u>	<u>2,837,429</u>
Non-current liabilities:				
Accrued compensated absences	<u>164,087</u>	<u>67,099</u>	<u>231,186</u>	<u>-</u>
Total liabilities	<u>5,010,518</u>	<u>1,416,075</u>	<u>6,426,593</u>	<u>2,837,429</u>
Net assets:				
Invested in capital assets, net of related debt	19,905	668,088	687,993	-
Unrestricted (deficit)	<u>(2,689,069)</u>	<u>(1,350,527)</u>	<u>(4,039,596)</u>	<u>1,344,078</u>
Total net assets (deficit)	\$ <u>(2,669,164)</u>	\$ <u>(682,439)</u>	\$ <u>(3,351,603)</u>	\$ <u>1,344,078</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, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire General Rotary	Nonmajor Enterprise	Total	Internal Service Funds
Operating revenues:				
Tuition and fees	\$ 1,538,587	\$ 606,389	\$ 2,144,976	\$ -
Charges for services	-	-	-	1,023,632
Classroom materials and fees	-	44,734	44,734	-
Food services	-	584,762	584,762	-
Claims	-	-	-	20,415,017
Miscellaneous	-	23,492	23,492	-
Total operating revenues	<u>1,538,587</u>	<u>1,259,377</u>	<u>2,797,964</u>	<u>21,438,649</u>
Operating expenses:				
Salaries and wages	1,762,590	1,201,267	2,963,857	17,720
Fringe benefits	673,311	512,877	1,186,188	21,176,310
Purchased services	476,014	1,331,676	1,807,690	306,818
Supplies and materials	39,831	249,021	288,852	-
Depreciation	2,979	30,036	33,015	-
Total operating expenses	<u>2,954,725</u>	<u>3,324,877</u>	<u>6,279,602</u>	<u>21,500,848</u>
Operating loss	<u>(1,416,138)</u>	<u>(2,065,500)</u>	<u>(3,481,638)</u>	<u>(62,199)</u>
Non-operating revenues:				
Federal donated commodities	-	125,953	125,953	-
Intergovernmental grants	-	1,458,774	1,458,774	-
Total non-operating revenues	<u>-</u>	<u>1,584,727</u>	<u>1,584,727</u>	<u>-</u>
Loss before transfers	(1,416,138)	(480,773)	(1,896,911)	(62,199)
Transfers - in	-	144,976	144,976	-
Net loss	(1,416,138)	(335,797)	(1,751,935)	(62,199)
Total net assets (deficit) at beginning of year	<u>(1,253,026)</u>	<u>(346,642)</u>	<u>(1,599,668)</u>	<u>1,406,277</u>
Total net assets (deficit) at end of year	<u>\$ (2,669,164)</u>	<u>\$ (682,439)</u>	<u>\$ (3,351,603)</u>	<u>\$ 1,344,078</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, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Internal
	General	Enterprise		Service
	Rotary			Funds
Increase (decrease) in cash and cash equivalents:				
Cash flows from operating activities:				
Cash received from customers	\$ 2,935,169	\$ 1,429,671	\$ 4,364,840	\$ 20,415,017
Cash received from claims	-	-	-	1,023,632
Cash received from other operating sources	-	23,492	23,492	-
Cash payments for materials and supplies	(39,831)	(123,396)	(163,227)	-
Cash payments for goods and services	(432,142)	(1,304,063)	(1,736,205)	(10,746,683)
Cash payments to employees for services	(1,759,350)	(1,216,802)	(2,976,152)	(18,632)
Cash payments for employee benefits	(641,672)	(541,151)	(1,182,823)	-
Cash payments for claims	-	-	-	(10,103,293)
Net cash provided by (used for) operating activities	<u>62,174</u>	<u>(1,732,249)</u>	<u>(1,670,075)</u>	<u>570,041</u>
Cash flows from noncapital financing activities:				
Intergovernmental grants received	-	1,458,774	1,458,774	-
Transfers - in	-	144,976	144,976	-
Advances - in	-	91,129	91,129	-
Advances - out	-	(96,480)	(96,480)	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,598,399</u>	<u>1,598,399</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	62,174	(133,850)	(71,676)	570,041
Cash and cash equivalents at beginning of year	<u>134,921</u>	<u>181,198</u>	<u>316,119</u>	<u>3,405,018</u>
Cash and cash equivalents at end of year	\$ <u>197,095</u>	\$ <u>47,348</u>	\$ <u>244,443</u>	\$ <u>3,975,059</u>
Non-cash noncapital financing activities:				
Federal donated commodities	\$ <u>-</u>	\$ <u>125,953</u>	\$ <u>125,953</u>	\$ <u>-</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:				
Operating loss	\$ (1,416,138)	\$ (2,065,500)	\$ (3,481,638)	\$ (62,199)
Adjustments:				
Depreciation	2,979	30,036	33,015	-
Federal donated commodities	-	125,953	125,953	-
Changes in assets/liabilities:				
Decrease in accounts receivable	-	3,025	3,025	-
Decrease in prepaid items	-	-	-	1,757
Decrease in intergovernmental receivable	1,396,582	190,761	1,587,343	-
Decrease in materials and supplies inventories	-	934	934	-
Increase in inventory held for resale	-	(1,262)	(1,262)	-
Increase in accounts payable	43,872	27,613	71,485	17,500
Increase (decrease) in accrued wages and benefits	3,240	(57,535)	(54,295)	(912)
Increase in intergovernmental payable	57,856	8,868	66,724	521,095
(Decrease) increase in accrued compensated absences	(26,217)	4,858	(21,359)	-
Increase in claims payable	-	-	-	92,800
Total adjustments	<u>1,478,312</u>	<u>333,251</u>	<u>1,811,563</u>	<u>632,240</u>
Net cash provided by (used for) operating activities	\$ <u>62,174</u>	\$ <u>(1,732,249)</u>	\$ <u>(1,670,075)</u>	\$ <u>570,041</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, 2008

	Student Managed Activity Agency <u>Fund</u>
Assets:	
Equity in pooled cash and investments	\$ <u>53,494</u>
Liabilities:	
Due to students	\$ <u>53,494</u>

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements

June 30, 2008

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 twelve instructional/support facilities staffed by 452 classified employees, 455 certificated full-time teaching personnel and approximately 42 administrators who provide services to 5,767 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 Mizrachi School, GESU School, Hebrew Academy of Cleveland, Lutheran East High School, Monarch School, Mosdos Ohr Hatorah, Ruffing Montessori, St. Ann 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 21 to the basic financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

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 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 Fund - The Permanent Improvement Fund accounts 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, 2008

Note 2: Summary of Significant Accounting Policies (continued)

A. Fund Accounting (continued)

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

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

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of 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 funds and fiduciary funds also use the accrual basis of accounting.

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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

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

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, 2008, but which were levied to finance fiscal year 2009 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 deferred revenue.

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

D. Budgets

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

D. Budgets (continued)

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

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

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 investments” on the financial statements. During fiscal year 2008, investments were limited to overnight repurchase agreements, United States government securities and State Treasury Asset Reserve of Ohio (STAROhio).

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

The District has invested funds in STAROhio during fiscal year 2008. 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, 2008.

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 2008 amounted to \$1,676,022. The amount allocated from the other funds during fiscal year 2008 amounted to \$236,948.

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

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

On the government-wide financial statements inventories are presented at the lower of cost or market cost on a first-in, first-out basis and are valued using the purchasing method. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at period-end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets.

On fund financial statements, 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 and recorded as inventories using the consumption method. Inventories consist of donated food, purchased food, school supplies held for resale and materials and supplies held for consumption.

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 2: Summary of Significant Accounting Policies (continued)

J. Interfund Transactions

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

K. Compensated Absences

Vacation benefits are accrued as a liability 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, debt, 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, 2008

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 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, 2008, the District did not have net assets restricted by enabling legislation.

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

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 Services 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 2008, 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, 2008

Note 2: Summary of Significant Accounting Policies (continued)

S. Comparative Data/Reclassifications

Prior year data presented in Management's Discussion and Analysis and in the Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2007 financial statements in order to conform to the 2008 operations.

Note 3: Change in Accounting Principles

For 2008, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures*.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The District has determined that the adoption of this statement did not have an impact on the District's financial statements; however, note disclosures related to post-employment benefits have been modified. An OPEB liability at transition was determined in accordance with this Statement for both the SERS and STRS post-employment healthcare plans in the amount of \$85,650 and \$25,565, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or collateralized borrowings. The statement also includes disclosure requirements for future revenues that are pledged and sold. The implementation of this Statement did not affect the presentation of the financial statements of the District.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

Note 4: Accountability

The following funds had deficit fund balances/net assets at June 30, 2008:

Special Revenue Funds:

District Managed Activity	\$ 10,148
Motorcycle Safety Education	1,029
Educational Management Information System	4,509
Public School Preschool Grant	21,682
Summer School Subsidy	19,312
Alternative School Grant	82,947
Adult Basic Education	33,532
Idea (Flo-Thru)	235,077

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 4: Accountability (continued)

Special Revenue Funds (continued):

Vocational Education	1,531
Title III	22,066
Title I	5,819
Title V Innovative Program	1,810
Drug Free Schools	5,289
Title II-A Improving Teacher Quality	19,658
Miscellaneous Federal Grants	351,302

Enterprise Funds:

Bellefaire General Rotary	2,669,164
Food Services	1,093,831
Uniform School Supplies	7,379

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

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).
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	\$ 8,857,974
Revenue Accruals	(4,217,580)
Advances – in	1,329,672
Expenditure Accruals	761,854
Advances – out	(1,329,525)
Encumbrances	<u>(2,018,382)</u>
Budget Basis	<u>\$ 3,384,013</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 6: Deposits and Investments

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

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 6: Deposits and Investments (continued)

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

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

Deposits

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

At year-end, the carrying amount of the District's deposits was \$27,277,069 and the bank balance was \$29,250,628. Of the bank balance, \$303,053 was covered by Federal depository insurance and \$28,947,575 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 investments".

Investments

Investments are reported as fair value. As of June 30, 2008, the District had the following investments:

	<u>Fair Value</u>	<u>Maturity Date</u>
Repurchase agreements	\$ 8,566,034	July 2008
STAROhio	2,518,460	July 2008
Federal Home Loan Mortgage Corporation	3,421,450	October 2008
Total portfolio	\$ <u>14,505,944</u>	

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 6: Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing 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, 2008:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Chase	1.0%
National City	53.6%
First Merit	4.4%
Federal Home Loan Mortgage Corporation	23.6%
STAROhio	17.4%

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

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 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, 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 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 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 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable include the late settlement of personal property, real property, public utility property, and tangible personal property taxes which are measurable as of June 30, 2008, 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, 2008, was \$29,899,824 in the General Fund, \$316,660 in the Debt Service Fund, and \$1,532,515 was available to the Permanent Improvement Fund.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 7: Property Taxes (continued)

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 2008 taxes were collected are:

	2007		2008	
	Second-Half Collections		First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	\$ 1,218,353,600	97.64%	\$ 1,230,715,140	98.35%
Public utility	17,706,520	1.42%	11,548,270	0.92%
Tangible personal property	<u>11,791,553</u>	<u>0.94%</u>	<u>9,140,242</u>	<u>0.73%</u>
	\$ <u>1,247,851,673</u>	<u>100.00%</u>	\$ <u>1,251,403,652</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 129.60		\$ 136.70

Note 8: Interfund Transactions

Interfund transactions for the year ended June 30, 2008 consisted of the following:

Interfund Receivable	Interfund Payable	Amount
General Fund	Nonmajor Governmental Funds	\$ 1,303,778
General Fund	Bellefaire General Rotary Fund	4,627,960
General Fund	Nonmajor Enterprise Funds	<u>1,174,297</u>
		\$ <u>7,106,035</u>

All balances resulted from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2008, all interfund loans outstanding are anticipated to be repaid in the fiscal year 2009. Interfund balances of \$5,802,257 on the government-wide financial statements are a result of advances for reimbursements due from operations and intrafund balances of \$1,303,778 being eliminated.

Interfund transfers for the year ended June 30, 2008, consisted of the following:

	Amount
Transfers from General Fund to:	
Nonmajor Governmental Funds	\$ 552,254
Nonmajor Enterprise Funds	144,976
Transfer from Permanent Improvement Fund to:	
Debt Service Fund	<u>831,069</u>
	\$ <u>1,528,299</u>

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 9: Receivables

Receivables at June 30, 2008, 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>	
Governmental activities:		
Special education - tuition	\$ 617,176	
Payments in lieu of property taxes	158,238	
County Auditor champ program	91,437	
Fuel reimbursement	11,992	
Adult basic-education grant	43,129	
Idea (flo thru) grant	193,506	
Carl D. Perkins grant	36,521	
Title III grant	16,986	
Title I grant	177,334	
Title V grant	1,359	
Early Childhood grant	5,617	
Title II-A grant	24,892	
Title II-D grant	2,726	
Learn and serve America grant	2,700	
21 st Century grant	34,376	
Smaller Learning Communities grant	<u>25,000</u>	
Total governmental activities		\$ 1,442,989
Business-type activities:		
Bellefaire general rotary - tuition		<u>2,124,354</u>
Total intergovernmental receivable		\$ <u><u>3,567,343</u></u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 10: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance at 6/30/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 6/30/08</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>3,740,133</u>	<u>1,160,694</u>	<u>(4,285,632)</u>	<u>615,195</u>
Total capital assets, not being depreciated	<u>5,721,756</u>	<u>1,160,694</u>	<u>(4,285,632)</u>	<u>2,596,818</u>
Capital assets, being depreciated:				
Land improvements	3,496,887	323,035	-	3,819,922
Buildings and improvements	38,742,556	4,140,288	-	42,882,844
Vehicles	3,411,413	-	-	3,411,413
Furniture and equipment	<u>3,149,164</u>	<u>811,829</u>	<u>-</u>	<u>3,960,993</u>
Total capital assets, being depreciated	<u>48,800,020</u>	<u>5,275,152</u>	<u>-</u>	<u>54,075,172</u>
Less accumulated depreciation:				
Land improvements	(1,080,234)	(67,712)	-	(1,147,946)
Buildings and improvements	(13,115,567)	(618,799)	-	(13,734,366)
Vehicles	(1,798,324)	(214,769)	-	(2,013,093)
Furniture and equipment	<u>(1,964,598)</u>	<u>(200,973)</u>	<u>-</u>	<u>(2,165,571)</u>
Total accumulated depreciation	<u>(17,958,723)</u>	<u>(1,102,253)</u>	<u>-</u>	<u>(19,060,976)</u>
Total capital assets being depreciated, net	<u>30,841,297</u>	<u>4,172,899</u>	<u>-</u>	<u>35,014,196</u>
Governmental activities capital assets, net	\$ <u>36,563,053</u>	\$ <u>5,333,593</u>	\$ <u>(4,285,632)</u>	\$ <u>37,611,014</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 10: Capital Assets (continued)

	Balance at 6/30/07	Additions	Disposals	Balance at 6/30/08
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	(5,781)	(125)	-	(5,906)
Buildings and improvements	(680,611)	(13,390)	-	(694,001)
Furniture and equipment	(347,459)	(17,905)	-	(365,364)
Vehicles	<u>(5,450)</u>	<u>(1,595)</u>	<u>-</u>	<u>(7,045)</u>
Total accumulated depreciation	<u>(1,039,301)</u>	<u>(33,015)</u>	<u>-</u>	<u>(1,072,316)</u>
Business-type activities capital assets, net	\$ <u>721,008</u>	\$ <u>(33,015)</u>	\$ <u>-</u>	\$ <u>687,993</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 390,386
Special	632
Vocational	17,657
Support services:	
Instructional staff	35,111
Administration	1,675
Fiscal	2,662
Business	60,099
Operations and maintenance of plant	385,656
Pupil transportation	169,188
Central	16,728
Community services	12,467
Extracurricular activities	<u>9,992</u>
	<u>\$ 1,102,253</u>

At the end of fiscal year 2007, the District closed Coventry Elementary School. As of June 30, 2008 management has not determined the future use of the Coventry land and building. Management has determined that the assets are not impaired.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

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 2008, 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.	Blanket Liability	\$5,500 deductible
		\$203,346,093 limit
	Inland Marine	\$250 deductible
		\$11,047,757 limit
	Flood and Earthquake Limit	\$50,000 deductible
		\$2,000,000 limit
	Crime	\$500 deductible
		\$150,000 limit
	General Liability/Employer's Liability	\$1,000,000 limit
		\$3,000,000 aggregate
	Employee Benefits Liability	\$1,000 deductible
		\$1,000,000 limit
	School Leaders Errors and Omissions	\$3,000,000 aggregate
\$2,500 deductible		
Fleet	\$1,000,000 limit/aggregate	
	\$250 comprehensive	
	\$500 collision	
Umbrella	\$1,000,000 limit	
	\$6,000,000 limit	
Travelers Insurance Co.	Property and Inland Marine	\$5,000 deductible-boilers
	Boiler and Machinery	\$1,000 deductible
	Public Official Bonds	\$30,000,000 limit \$20,000-\$100,000 limit

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

B. Workers Compensation

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 11: Risk Management (continued)

C. Employee Medical Benefits

The District is self insured for medical, dental, vision and prescription of District employees and their covered dependents. Under the program, the District is obligated for claim payments. Incurred but not reported claims of \$1,780,200 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2008, based on an estimate from a third party administrator. Individual funds are charged for medical expenses based on an estimate of total cost for the District as prepared by the plan administrator, and are recorded as revenues of the Self-Insurance Internal Service Fund.

The claims liability of \$1,780,200 reported in the fund at June 30, 2008, 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 2006, 2007, and 2008 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, 2006	\$ 140,700	\$ 7,386,534	\$ 5,647,034	\$ 1,880,200
June 30, 2007	1,880,200	8,882,297	9,075,097	1,687,400
June 30, 2008	1,687,400	9,759,126	9,666,326	1,780,200

Note 12: Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description - 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 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at 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 2008, 9.16 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 by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 12: Defined Benefit Pension Plans (continued)

A. School Employees Retirement System (continued)

The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006, were \$1,746,434, \$1,960,417, and \$1,960,467, respectively; 89.23 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement plan. STRS Ohio provides retirement, disability, survivor, and health care benefits, based on eligible service credit to members and beneficiaries. STRS Ohio issues a stand-alone financial report. Copies of the report can be requested by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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 benefits at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal years ended June 30, 2008, plan members were 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. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by State Teachers Retirement Board, 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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 12: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006, were \$6,414,150, \$6,196,493, and \$6,226,871 respectively; 94.42 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$64,601 made by the District and \$108,141 made by the plan members.

Note 13: Post-Employment Benefits

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by SERS for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$210,871.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$795,266, \$764,056, and \$692,895, respectively; 89.23 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$92,273, \$92,420, and \$92,422, respectively; 89.23 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 13: Post-Employment Benefits (continued)

B. State Teachers Retirement System

Plan Description - The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by STRS Ohio for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888)227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$458,154, \$442,607, and \$444,777, respectively; 94.42 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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.

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 General Fund, Bellefaire General Rotary Fund, and various other governmental and enterprise funds as they are paid.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 15: Long - Term Liabilities

The changes in the District's long-term obligations during fiscal year 2008 were as follows:

	Principal Outstanding 6/30/07	Additions	Deletions	Principal Outstanding at 6/30/08	Amounts Due in One Year
Governmental activities:					
1998 \$1,400,000 Energy Conservation Bonds - 7.00%	\$ 280,000	\$ -	\$ 140,000	\$ 140,000	\$ 140,000
2003 \$5,800,000 Energy Conservation Bonds - variable	4,205,000	-	555,000	3,650,000	565,000
2002 \$9,499,990 Library Improvement Bonds - variable interest rate	8,371,619	-	151,748	8,219,871	134,871
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital lease obligations	254,877	796,303	300,609	750,571	320,998
Compensated absences	<u>6,365,513</u>	<u>955,804</u>	<u>1,220,220</u>	<u>6,101,097</u>	<u>414,477</u>
Total governmental long-term liabilities	\$ <u>24,977,009</u>	\$ <u>1,752,107</u>	\$ <u>2,367,577</u>	\$ <u>24,361,539</u>	\$ <u>1,575,346</u>
Business-type activities:					
Compensated absences	\$ <u>294,552</u>	\$ <u>59,130</u>	\$ <u>80,489</u>	\$ <u>273,193</u>	\$ <u>42,007</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 Fund.

The legal debt margin of the District as of June 30, 2008, was \$100,420,199 with an unvoted debt margin of \$1,242,263.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 15: Long - Term Liabilities (continued)

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2008, are as follows:

	Energy Conservation Bonds			Library Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2009	\$ 705,000	\$ 116,746	\$ 821,746	\$ 134,871	\$ 555,640	\$ 690,511	\$ 1,512,257
2010	580,000	98,188	678,188	295,000	389,317	684,317	1,362,505
2011	595,000	79,819	674,819	310,000	376,457	686,457	1,361,276
2012	615,000	59,388	674,388	320,000	362,752	682,752	1,357,140
2013	635,000	37,513	672,513	335,000	348,174	683,174	1,355,687
2014-2018	660,000	13,200	673,200	1,925,000	1,484,221	3,409,221	4,082,421
2019-2023	-	-	-	2,455,000	945,405	3,400,405	3,400,405
2024-2027	-	-	-	2,445,000	258,685	2,703,685	2,703,685
Total	\$ <u>3,790,000</u>	\$ <u>404,854</u>	\$ <u>4,194,854</u>	\$ <u>8,219,871</u>	\$ <u>4,720,651</u>	\$ <u>12,940,522</u>	\$ <u>17,135,376</u>

Note 16: Lease Obligations

The District has entered into capital leases for a security system and copier equipment. 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 security system and copier equipment have been capitalized in the amounts of \$567,610 and \$372,096, respectively. For the security system, these amounts represent the present value of the future minimum lease payments at the time of acquisition, \$585,856 less accumulated depreciation, \$18,246. The present value of the future minimum lease payments at the time of acquisition for the copier equipment was \$403,797 less accumulated depreciation of \$31,701. A corresponding liability is recorded in the government-wide financial statements. An additional copier equipment lease with a value of \$392,506 is not included in the above amounts because the individual assets making up the lease total do not meet the District's capitalization threshold policy. Principal payments for all of capital leases in the 2008 fiscal year totaled \$300,609. These amounts are reported as program/function expenditures of the General Fund and Permanent Improvement 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, 2008:

	Capital Leases	Operating Leases
2009	\$ 358,981	\$ 138,312
2010	238,924	138,312
2011	108,912	-
2012	108,912	-
2013	18,151	-
Total minimum lease payments	833,880	\$ <u>276,624</u>
Less: amounts representing interest	(83,309)	
Present value minimum capital lease payments	\$ <u>750,571</u>	

Rental expense related to operating leases for equipment totaled \$144,572 for the year ended June 30, 2008.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

Note 17: Jointly Governed Organizations

The Ohio Schools' Council Association (the Council) is a jointly governed organization among 91 school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying 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 2008, the District paid \$6,355 to the Council. Financial information can be obtained by contacting David A. Cottrell, Executive Director, at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

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, 2007	\$ 676,310	\$ -
Current year set-aside requirements	991,814	991,814
Qualifying disbursements	<u>(747,673)</u>	<u>(2,727,195)</u>
Total	\$ <u>920,451</u>	\$ <u>(1,735,381)</u>
Set-aside balances carried forward to future years	\$ <u>920,451</u>	\$ -
Set-aside reserve balance as of June 30, 2008	\$ <u>920,451</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, 2008, the District's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Emergency lighting upgrades	\$ 235,300	\$ 126,020	\$ 109,280
Heights High service elevator	277,125	57,425	219,700
Heights High unit ventilator replacement	126,445	24,540	101,905
Fairfax office renovation	167,200	11,900	155,300
Fairfax roof replacement	517,796	63,395	454,401
Canterbury media HVAC replacement	<u>131,500</u>	<u>98,508</u>	<u>32,992</u>
Total	\$ <u>1,455,366</u>	\$ <u>381,788</u>	\$ <u>1,073,578</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2008

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, 2008.

B. Litigation

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

Note 21: Related Organization

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

COMBINING STATEMENTS AND INDIVIDUAL FUND

Schedules



MELISSA MILLER
Grade 5, Canterbury Elementary

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds

Fund Descriptions

June 30, 2008

Nonmajor Special Revenue Funds

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

Special Trust This fund is used to account for monies used for purposes that are beneficial to the overall operation of the 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 non-public 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, 2008

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.

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.

Poverty Aid This fund accounts for monies appropriated for poverty based assistance as part of the state foundation system. Programs included are academic intervention, all-day kindergarten, class-size reduction, Limited English Proficient students, professional development, dropout prevention and community outreach.

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, 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.

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds Fund Descriptions

June 30, 2008

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, 2008

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 1,422,577	\$ 45,781	\$ 1,468,358
Intergovernmental receivable	<u>655,583</u>	<u>-</u>	<u>655,583</u>
Total assets	<u>\$ 2,078,160</u>	<u>\$ 45,781</u>	<u>\$ 2,123,941</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 161,700	\$ -	\$ 161,700
Accrued wages and benefits	17,678	-	17,678
Interfund payable	1,303,778	-	1,303,778
Intergovernmental payable	126,685	-	126,685
Deferred revenue	<u>218,780</u>	<u>-</u>	<u>218,780</u>
Total liabilities	<u>1,828,621</u>	<u>-</u>	<u>1,828,621</u>
Fund balances:			
Reserved for encumbrances	393,959	-	393,959
Unreserved; undesignated (deficit)	<u>(144,420)</u>	<u>45,781</u>	<u>(98,639)</u>
Total fund balances	<u>249,539</u>	<u>45,781</u>	<u>295,320</u>
Total liabilities and fund balances	<u>\$ 2,078,160</u>	<u>\$ 45,781</u>	<u>\$ 2,123,941</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, 2008

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 9,856,207	\$ 43,132	\$ 9,899,339
Earnings on investments	47,305	-	47,305
Extracurricular activities	225,465	-	225,465
Classroom materials and fees	26,783	-	26,783
Miscellaneous	950,948	-	950,948
Total revenues	<u>11,106,708</u>	<u>43,132</u>	<u>11,149,840</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,436,900	-	3,436,900
Special	1,150,327	-	1,150,327
Vocational	145,276	-	145,276
Adult/continuing	984,729	-	984,729
Support services:			
Pupil	963,780	-	963,780
Instructional staff	1,407,893	-	1,407,893
Administration	514,922	-	514,922
Operations and maintenance of plant	4,464	-	4,464
Pupil transportation	55,808	-	55,808
Central	241,161	-	241,161
Operation of non-instructional services:			
Community services	1,957,145	-	1,957,145
Extracurricular activities	390,344	-	390,344
Capital outlay	85,570	-	85,570
Total expenditures	<u>11,338,319</u>	<u>-</u>	<u>11,338,319</u>
Excess of revenues over (under) expenditures	(231,611)	43,132	(188,479)
Other financing sources (uses):			
Transfers - in	<u>552,254</u>	<u>-</u>	<u>552,254</u>
Net change in fund balance	320,643	43,132	363,775
Fund balance (deficit) at beginning of year	<u>(71,104)</u>	<u>2,649</u>	<u>(68,455)</u>
Fund balance at end of year	<u>\$ 249,539</u>	<u>\$ 45,781</u>	<u>\$ 295,320</u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2008

	<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 investments	\$ 383,005	\$ 73,731	\$ 45,014	\$ 58	\$ 7,578
Intergovernmental receivable	-	-	116,437	-	-
Total assets	<u>\$ 383,005</u>	<u>\$ 73,731</u>	<u>\$ 161,451</u>	<u>\$ 58</u>	<u>\$ 7,578</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ 1,070	\$ 51,667	\$ -	\$ 17,075
Accrued wages and benefits	-	-	3,231	-	-
Interfund payable	-	-	40,343	-	-
Intergovernmental payable	-	21	4,503	-	651
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,091</u>	<u>99,744</u>	<u>-</u>	<u>17,726</u>
Fund balances:					
Reserve for encumbrances	11,000	13,909	31,179	-	7,578
Unreserved; undesignated (deficit)	<u>372,005</u>	<u>58,731</u>	<u>30,528</u>	<u>58</u>	<u>(17,726)</u>
Total fund balances (deficit)	<u>383,005</u>	<u>72,640</u>	<u>61,707</u>	<u>58</u>	<u>(10,148)</u>
Total liabilities and fund balances	<u>\$ 383,005</u>	<u>\$ 73,731</u>	<u>\$ 161,451</u>	<u>\$ 58</u>	<u>\$ 7,578</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>
\$ 507,673	\$ 431	\$ -	\$ 957	\$ -	\$ 12,525
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 507,673</u>	<u>\$ 431</u>	<u>\$ -</u>	<u>\$ 957</u>	<u>\$ -</u>	<u>\$ 12,525</u>
\$ 40,644	\$ -	\$ -	\$ -	\$ -	\$ -
497	-	885	560	-	102
-	-	-	17,114	-	-
2,052	1,460	3,624	4,965	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>43,193</u>	<u>1,460</u>	<u>4,509</u>	<u>22,639</u>	<u>-</u>	<u>102</u>
100,203	-	-	957	-	576
<u>364,277</u>	<u>(1,029)</u>	<u>(4,509)</u>	<u>(22,639)</u>	<u>-</u>	<u>11,847</u>
<u>464,480</u>	<u>(1,029)</u>	<u>(4,509)</u>	<u>(21,682)</u>	<u>-</u>	<u>12,423</u>
<u>\$ 507,673</u>	<u>\$ 431</u>	<u>\$ -</u>	<u>\$ 957</u>	<u>\$ -</u>	<u>\$ 12,525</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2008

	<u>Textbook Subsidy</u>	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Poverty Aid</u>
Assets:					
Equity in pooled cash and investments	\$ 1,602	\$ 12,661	\$ -	\$ 2,176	\$ -
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ 1,602</u>	<u>\$ 12,661</u>	<u>\$ -</u>	<u>\$ 2,176</u>	<u>\$ -</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Interfund payable	-	12,158	19,312	-	-
Intergovernmental payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>12,158</u>	<u>19,312</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserved for encumbrances	-	-	-	-	-
Unreserved; undesignated (deficit)	<u>1,602</u>	<u>503</u>	<u>(19,312)</u>	<u>2,176</u>	<u>-</u>
Total fund balances (deficit)	<u>1,602</u>	<u>503</u>	<u>(19,312)</u>	<u>2,176</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,602</u>	<u>\$ 12,661</u>	<u>\$ -</u>	<u>\$ 2,176</u>	<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>
\$ -	\$ 4,358	\$ 69,900	\$ 33,859	\$ 181,195	\$ 7,923
-	-	-	43,129	193,506	36,521
<u>\$ -</u>	<u>\$ 4,358</u>	<u>\$ 69,900</u>	<u>\$ 76,988</u>	<u>\$ 374,701</u>	<u>\$ 44,444</u>
\$ -	\$ -	\$ 3,069	\$ -	\$ 25,413	\$ 6,750
-	-	4,818	200	-	2,134
79,106	-	-	86,453	432,104	-
3,841	-	-	6,915	54,511	8,781
-	-	-	16,952	97,750	28,310
<u>82,947</u>	<u>-</u>	<u>7,887</u>	<u>110,520</u>	<u>609,778</u>	<u>45,975</u>
-	-	26,083	8,298	160,498	1,354
<u>(82,947)</u>	<u>4,358</u>	<u>35,930</u>	<u>(41,830)</u>	<u>(395,575)</u>	<u>(2,885)</u>
<u>(82,947)</u>	<u>4,358</u>	<u>62,013</u>	<u>(33,532)</u>	<u>(235,077)</u>	<u>(1,531)</u>
<u>\$ -</u>	<u>\$ 4,358</u>	<u>\$ 69,900</u>	<u>\$ 76,988</u>	<u>\$ 374,701</u>	<u>\$ 44,444</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2008

	<u>Title III</u>	<u>Chinese Refugees</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
Assets:				
Equity in pooled cash and investments	\$ -	\$ 115	\$ 20,079	\$ 1,499
Intergovernmental receivable	<u>16,986</u>	<u>-</u>	<u>177,334</u>	<u>1,359</u>
Total assets	<u>\$ 16,986</u>	<u>\$ 115</u>	<u>\$ 197,413</u>	<u>\$ 2,858</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 2,537	\$ -
Accrued wages and benefits	1,755	-	1,229	-
Interfund payable	18,787	-	148,192	3,309
Intergovernmental payable	1,524	-	17,854	-
Deferred revenue	<u>16,986</u>	<u>-</u>	<u>33,420</u>	<u>1,359</u>
Total liabilities	<u>39,052</u>	<u>-</u>	<u>203,232</u>	<u>4,668</u>
Fund balances:				
Reserved for encumbrances	984	-	20,079	456
Unreserved; undesignated (deficit)	<u>(23,050)</u>	<u>115</u>	<u>(25,898)</u>	<u>(2,266)</u>
Total fund balances (deficit)	<u>(22,066)</u>	<u>115</u>	<u>(5,819)</u>	<u>(1,810)</u>
Total liabilities and fund balances	<u>\$ 16,986</u>	<u>\$ 115</u>	<u>\$ 197,413</u>	<u>\$ 2,858</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>
\$ -	\$ 34,167	\$ 11,266	\$ 10,805	\$ 1,422,577
-	5,617	24,892	39,802	655,583
<u>\$ -</u>	<u>\$ 39,784</u>	<u>\$ 36,158</u>	<u>\$ 50,607</u>	<u>\$ 2,078,160</u>
\$ -	\$ -	\$ 11,319	\$ 2,156	\$ 161,700
-	-	-	2,267	17,678
5,289	39,614	30,442	371,555	1,303,778
-	-	3,727	12,256	126,685
-	-	10,328	13,675	218,780
<u>5,289</u>	<u>39,614</u>	<u>55,816</u>	<u>401,909</u>	<u>1,828,621</u>
-	-	-	10,805	393,959
<u>(5,289)</u>	<u>170</u>	<u>(19,658)</u>	<u>(362,107)</u>	<u>(144,420)</u>
<u>(5,289)</u>	<u>170</u>	<u>(19,658)</u>	<u>(351,302)</u>	<u>249,539</u>
<u>\$ -</u>	<u>\$ 39,784</u>	<u>\$ 36,158</u>	<u>\$ 50,607</u>	<u>\$ 2,078,160</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, 2008

	Special Trust	Public School Support	Other Grants	Venture Capital - Boulevard	District Managed Activity
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 7,605	\$ -	\$ -
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	119,009	-	-	106,456
Classroom materials and fees	-	26,783	-	-	-
Miscellaneous	<u>125,940</u>	<u>66,021</u>	<u>719,188</u>	<u>-</u>	<u>30,952</u>
Total revenues	<u>125,940</u>	<u>211,813</u>	<u>726,793</u>	<u>-</u>	<u>137,408</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	206,710	58,818	-	-
Special	-	-	4,872	-	129
Vocational	-	-	6,828	-	-
Adult/continuing	-	-	353,869	-	-
Support services:					
Pupil	500	-	4,713	-	-
Instructional staff	-	535	81,527	-	-
Administration	-	-	4,203	-	-
Operations and maintenance of plant	-	-	4,464	-	-
Pupil transportation	-	-	-	-	-
Central	90,066	-	-	-	-
Operation of non-instructional services:					
Community services	2,000	-	5,500	-	531
Extracurricular activities	2,600	-	7,000	-	380,744
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>95,166</u>	<u>207,245</u>	<u>531,794</u>	<u>-</u>	<u>381,404</u>
Excess of revenues over (under) expenditures	30,774	4,568	194,999	-	(243,996)
Other financing sources (uses):					
Transfers - in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,511</u>
Net change in fund balance	30,774	4,568	194,999	-	(74,485)
Fund balance (deficit) at beginning of year	<u>352,231</u>	<u>68,072</u>	<u>(133,292)</u>	<u>58</u>	<u>64,337</u>
Fund balance (deficit) at end of year	\$ <u><u>383,005</u></u>	\$ <u><u>72,640</u></u>	\$ <u><u>61,707</u></u>	\$ <u><u>58</u></u>	\$ <u><u>(10,148)</u></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>
\$ 1,962,731	\$ -	\$ 22,261	\$ 132,186	\$ 42,000	\$ 12,970
47,305	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,973	-	-	-	-
<u>2,010,036</u>	<u>1,973</u>	<u>22,261</u>	<u>132,186</u>	<u>42,000</u>	<u>12,970</u>
-	-	-	76,432	-	1,707
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,460	-	37,898	-	445
-	-	-	20,703	-	-
-	-	-	-	-	-
-	-	-	2,409	-	-
-	-	81,091	-	-	-
1,846,982	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	85,570	-
<u>1,846,982</u>	<u>1,460</u>	<u>81,091</u>	<u>137,442</u>	<u>85,570</u>	<u>2,152</u>
163,054	513	(58,830)	(5,256)	(43,570)	10,818
-	-	64,954	-	-	-
163,054	513	6,124	(5,256)	(43,570)	10,818
<u>301,426</u>	<u>(1,542)</u>	<u>(10,633)</u>	<u>(16,426)</u>	<u>43,570</u>	<u>1,605</u>
\$ <u>464,480</u>	\$ <u>(1,029)</u>	\$ <u>(4,509)</u>	\$ <u>(21,682)</u>	\$ <u>-</u>	\$ <u>12,423</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, 2008

	<u>Textbook Subsidy</u>	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Poverty Aid</u>
Revenues:					
Intergovernmental	\$ -	\$ 13,045	\$ -	\$ -	\$ 3,091,748
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Classroom materials and fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>13,045</u>	<u>-</u>	<u>-</u>	<u>3,091,748</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	11,493	-	-	2,927,338
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	-	482,199
Support services:					
Pupil	-	467	-	-	-
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services:					
Community services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>11,960</u>	<u>-</u>	<u>-</u>	<u>3,409,537</u>
Excess of revenues over (under) expenditures	-	1,085	-	-	(317,789)
Other financing sources (uses):					
Transfers - in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,789</u>
Net change in fund balance	-	1,085	-	-	-
Fund balance (deficit) at beginning of year	<u>1,602</u>	<u>(582)</u>	<u>(19,312)</u>	<u>2,176</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 1,602</u>	<u>\$ 503</u>	<u>\$ (19,312)</u>	<u>\$ 2,176</u>	<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>
\$ 173,942	\$ -	\$ 96,762	\$ 232,890	\$ 1,978,640	\$ 265,483
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	500	-
<u>173,942</u>	<u>-</u>	<u>96,762</u>	<u>232,890</u>	<u>1,979,140</u>	<u>265,483</u>
-	-	9,217	-	-	-
-	-	30,128	-	377,089	-
-	-	-	-	-	138,448
-	-	-	148,661	-	-
227,017	-	-	-	144,656	87,694
-	-	10,042	93,323	780,879	344
-	-	-	-	385,112	-
-	-	-	-	-	-
-	-	-	-	23,856	675
-	-	-	-	-	1,220
-	-	2,201	-	45,033	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>227,017</u>	<u>-</u>	<u>51,588</u>	<u>241,984</u>	<u>1,756,625</u>	<u>228,381</u>
(53,075)	-	45,174	(9,094)	222,515	37,102
-	-	-	-	-	-
(53,075)	-	45,174	(9,094)	222,515	37,102
(29,872)	4,358	16,839	(24,438)	(457,592)	(38,633)
<u>\$ (82,947)</u>	<u>\$ 4,358</u>	<u>\$ 62,013</u>	<u>\$ (33,532)</u>	<u>\$ (235,077)</u>	<u>\$ (1,531)</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, 2008

	<u>Title III</u>	<u>Chinese Refugees</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
Revenues:				
Intergovernmental	\$ 29,373	\$ -	\$ 979,719	\$ 16,711
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees	-	-	-	-
Miscellaneous	-	-	6,374	-
Total revenues	<u>29,373</u>	<u>-</u>	<u>986,093</u>	<u>16,711</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	5,302	-
Special	-	-	734,831	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Support services:				
Pupil	35,681	-	52,049	9,887
Instructional staff	-	-	115,469	-
Administration	-	-	58,946	-
Operations and maintenance of plant	-	-	-	-
Pupil transportation	-	-	8,513	-
Central	-	-	-	-
Operation of non-instructional services:				
Community services	-	-	44,176	4,680
Extracurricular activities	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>35,681</u>	<u>-</u>	<u>1,019,286</u>	<u>14,567</u>
Excess of revenues over (under) expenditures	(6,308)	-	(33,193)	2,144
Other financing sources (uses):				
Transfers - in	-	-	-	-
Net change in fund balance	(6,308)	-	(33,193)	2,144
Fund balance (deficit) at beginning of year	<u>(15,758)</u>	<u>115</u>	<u>27,374</u>	<u>(3,954)</u>
Fund balance (deficit) at end of year	\$ <u>(22,066)</u>	\$ <u>115</u>	\$ <u>(5,819)</u>	\$ <u>(1,810)</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>
\$ 25,444	\$ 42,008	\$ 283,990	\$ 446,699	\$ 9,856,207
-	-	-	-	47,305
-	-	-	-	225,465
-	-	-	-	26,783
-	-	-	-	950,948
<u>25,444</u>	<u>42,008</u>	<u>283,990</u>	<u>446,699</u>	<u>11,106,708</u>
-	500	3,543	135,840	3,436,900
-	3,278	-	-	1,150,327
-	-	-	-	145,276
-	-	-	-	984,729
25,094	40,345	-	335,677	963,780
-	-	270,422	15,549	1,407,893
-	-	-	45,958	514,922
-	-	-	-	4,464
-	-	-	20,355	55,808
-	-	-	68,784	241,161
-	-	3,839	2,203	1,957,145
-	-	-	-	390,344
-	-	-	-	85,570
<u>25,094</u>	<u>44,123</u>	<u>277,804</u>	<u>624,366</u>	<u>11,338,319</u>
350	(2,115)	6,186	(177,667)	(231,611)
-	-	-	-	552,254
350	(2,115)	6,186	(177,667)	320,643
<u>(5,639)</u>	<u>2,285</u>	<u>(25,844)</u>	<u>(173,635)</u>	<u>(71,104)</u>
\$ <u>(5,289)</u>	\$ <u>170</u>	\$ <u>(19,658)</u>	\$ <u>(351,302)</u>	\$ <u>249,539</u>

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



JAIMARI COTTRELL
Grade 1
Gearity Professional Development School

SAMAEL REED
Grade 8
Wiley Professional Development School

Cleveland Heights-University Heights City School District

General Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 61,000,000	\$ 63,500,000	\$ 61,869,835	\$ (1,630,165)
Intergovernmental	24,700,000	25,832,680	27,292,382	1,459,702
Tuition and fees	1,622,500	1,632,622	1,961,057	328,435
Earnings on investments	2,000,000	1,600,000	1,676,022	76,022
Miscellaneous	<u>30,000</u>	<u>201,527</u>	<u>561,170</u>	<u>359,643</u>
Total revenues	<u>89,352,500</u>	<u>92,766,829</u>	<u>93,360,466</u>	<u>593,637</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	26,591,142	26,591,142	23,353,166	3,237,976
Employee benefits	9,092,712	9,092,710	9,059,041	33,669
Purchased services	232,842	256,630	211,659	44,971
Supplies and materials	298,494	319,173	300,547	18,626
Capital outlay	60,501	58,620	47,250	11,370
Other	<u>52,916</u>	<u>27,242</u>	<u>26,154</u>	<u>1,088</u>
Total regular	<u>36,328,607</u>	<u>36,345,517</u>	<u>32,997,817</u>	<u>3,347,700</u>
Special:				
Salaries and wages	6,199,015	6,199,015	5,968,425	230,590
Employee benefits	2,627,997	2,627,997	2,338,821	289,176
Purchased services	107,820	91,324	77,389	13,935
Supplies and materials	69,974	63,513	47,771	15,742
Capital outlay	500	7,362	4,072	3,290
Other	<u>5,090</u>	<u>5,940</u>	<u>2,696</u>	<u>3,244</u>
Total special	<u>9,010,396</u>	<u>8,995,151</u>	<u>8,439,174</u>	<u>555,977</u>
Vocational:				
Salaries and wages	1,168,141	1,171,331	1,171,100	231
Employee benefits	441,683	438,473	423,405	15,068
Purchased services	-	3,574	3,245	329
Supplies and materials	-	29,150	29,150	-
Capital outlay	-	<u>4,942</u>	<u>2,616</u>	<u>2,326</u>
Total vocational	<u>1,609,824</u>	<u>1,647,470</u>	<u>1,629,516</u>	<u>17,954</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult/continuing:				
Salaries and wages	-	29,723	29,723	-
Employee benefits	-	4,753	4,753	-
Supplies and materials	-	228	228	-
Total adult/continuing	-	34,704	34,704	-
Other instruction:				
Salaries and wages	274,896	191,583	58,938	132,645
Employee benefits	131,762	141,325	10,861	130,464
Purchased services	2,846,254	2,970,271	2,970,271	-
Supplies and materials	54,999	85,378	78,261	7,117
Other	50,000	50,380	41,642	8,738
Total other instruction	3,357,911	3,438,937	3,159,973	278,964
Total instruction	50,306,738	50,461,779	46,261,184	4,200,595
Support services:				
Pupil:				
Salaries and wages	5,402,288	5,442,324	5,442,324	-
Employee benefits	2,210,398	2,085,220	2,007,942	77,278
Purchased services	291,932	409,779	328,481	81,298
Supplies and materials	15,309	66,081	35,093	30,988
Capital outlay	6,300	11,819	3,873	7,946
Other	1,200	3,505	2,038	1,467
Total pupil	7,927,427	8,018,728	7,819,751	198,977
Instructional staff:				
Salaries and wages	2,200,159	2,132,610	2,107,840	24,770
Employee benefits	846,543	846,543	782,580	63,963
Purchased services	265,351	794,234	785,327	8,907
Supplies and materials	1,205,050	855,242	847,010	8,232
Capital outlay	174,754	173,995	139,631	34,364
Other	13,275	16,891	16,614	277
Total instructional staff	4,705,132	4,819,515	4,679,002	140,513
Board of education:				
Salaries and wages	20,000	20,000	16,750	3,250
Employee benefits	75,000	75,000	63,823	11,177
Purchased services	441,895	524,728	465,655	59,073
Supplies and materials	1,500	1,013	1,013	-
Other	15,000	12,354	12,354	-
Total board of education	553,395	633,095	559,595	73,500

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Salaries and wages	3,595,871	3,832,731	3,832,731	-
Employee benefits	1,732,874	1,777,814	1,777,814	-
Purchased services	271,221	435,964	435,964	-
Supplies and materials	232,626	281,364	281,364	-
Capital outlay	58,483	25,515	21,152	4,363
Other	<u>57,086</u>	<u>37,898</u>	<u>29,208</u>	<u>8,690</u>
Total administration	<u>5,948,161</u>	<u>6,391,286</u>	<u>6,378,233</u>	<u>13,053</u>
Fiscal:				
Salaries and wages	543,346	594,861	594,861	-
Employee benefits	253,535	265,517	265,517	-
Purchased services	173,877	117,262	113,595	3,667
Supplies and materials	27,477	26,816	23,342	3,474
Capital outlay	2,400	5,660	4,823	837
Other	<u>1,305,550</u>	<u>1,296,198</u>	<u>1,126,236</u>	<u>169,962</u>
Total fiscal	<u>2,306,185</u>	<u>2,306,314</u>	<u>2,128,374</u>	<u>177,940</u>
Business:				
Salaries and wages	243,863	243,863	242,293	1,570
Employee benefits	123,870	130,420	130,420	-
Purchased services	1,017,773	906,444	861,767	44,677
Supplies and materials	109,004	159,389	154,192	5,197
Capital outlay	74,500	244,299	229,614	14,685
Other	<u>305,000</u>	<u>265,414</u>	<u>265,414</u>	<u>-</u>
Total business	<u>1,874,010</u>	<u>1,949,829</u>	<u>1,883,700</u>	<u>66,129</u>
Operations and maintenance of plant:				
Salaries and wages	4,271,671	4,271,671	3,736,465	535,206
Employee benefits	2,242,998	2,242,998	2,041,003	201,995
Purchased services	4,202,722	4,331,109	4,281,885	49,224
Supplies and materials	766,240	978,814	957,796	21,018
Capital outlay	592,477	455,862	449,011	6,851
Other	<u>39,451</u>	<u>37,736</u>	<u>33,385</u>	<u>4,351</u>
Total operations and maintenance of plant	<u>12,115,559</u>	<u>12,318,190</u>	<u>11,499,545</u>	<u>818,645</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Salaries and wages	1,931,856	1,931,856	1,633,329	298,527
Employee benefits	986,895	986,895	765,623	221,272
Purchased services	1,046,601	1,017,419	1,006,006	11,413
Supplies and materials	593,927	564,029	563,038	991
Capital outlay	54,126	86,626	86,626	-
Other	341,000	21,251	12,080	9,171
Total pupil transportation	<u>4,954,405</u>	<u>4,608,076</u>	<u>4,066,702</u>	<u>541,374</u>
Central:				
Salaries and wages	1,163,183	1,184,367	1,184,367	-
Employee benefits	556,531	579,281	579,281	-
Purchased services	816,918	790,392	712,991	77,401
Supplies and materials	173,881	166,594	142,193	24,401
Capital outlay	166,549	243,300	171,381	71,919
Other	13,491	13,620	12,864	756
Total central	<u>2,890,553</u>	<u>2,977,554</u>	<u>2,803,077</u>	<u>174,477</u>
Total support services	<u>43,274,827</u>	<u>44,022,587</u>	<u>41,817,979</u>	<u>2,204,608</u>
Operation of non-instructional services:				
Community services:				
Purchased services	<u>20,000</u>	<u>16,267</u>	<u>9,870</u>	<u>6,397</u>
Other non-instructional services:				
Salaries and wages	69,401	71,560	71,560	-
Employee benefits	25,737	27,401	27,401	-
Purchased services	-	3,230	3,230	-
Supplies and materials	-	1,455	1,455	-
Other	-	425	425	-
Total other non-instructional services	<u>95,138</u>	<u>104,071</u>	<u>104,071</u>	<u>-</u>
Total operation of non-instructional services	<u>115,138</u>	<u>120,338</u>	<u>113,941</u>	<u>6,397</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	159,548	246,312	246,312	-
Employee benefits	60,091	45,554	45,554	-
Total academic and subject oriented	219,639	291,866	291,866	-
Occupation oriented:				
Salaries and wages	3,008	3,609	3,609	-
Employee benefits	1,263	855	855	-
Total occupation oriented	4,271	4,464	4,464	-
Sports oriented:				
Salaries and wages	710,734	699,177	578,711	120,466
Employee benefits	241,428	138,620	138,620	-
Total sports oriented	952,162	837,797	717,331	120,466
Co-curricular activities:				
Salaries and wages	22,556	62,926	62,926	-
Employee benefits	8,104	9,679	9,679	-
Total co-curricular activities	30,660	72,605	72,605	-
Total extracurricular activities	1,206,732	1,206,732	1,086,266	120,466
Total expenditures	94,903,435	95,811,436	89,279,370	6,532,066
Excess of revenues over (under) expenditures	(5,550,935)	(3,044,607)	4,081,096	7,125,703
Other financing sources (uses):				
Advances - in	500,000	1,329,672	1,329,672	-
Transfers - out	(400,000)	(697,230)	(697,230)	-
Advances - out	(500,000)	(1,329,525)	(1,329,525)	-
Total other financing sources (uses)	(400,000)	(697,083)	(697,083)	-
Net change in fund balance	(5,950,935)	(3,741,690)	3,384,013	7,125,703
Fund balance at beginning of year	24,049,653	24,049,653	24,049,653	-
Prior year encumbrances appropriated	2,174,883	2,174,883	2,174,883	-
Fund balance at end of year	\$ 20,273,601	\$ 22,482,846	\$ 29,608,549	\$ 7,125,703

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 725,000	\$ 725,000	\$ 700,146	\$ (24,854)
Intergovernmental	75,000	75,000	78,478	3,478
Total revenues	<u>800,000</u>	<u>800,000</u>	<u>778,624</u>	<u>(21,376)</u>
Expenditures:				
Debt service:				
Principal	950,000	846,748	846,748	-
Interest and fiscal charges	<u>550,000</u>	<u>674,832</u>	<u>674,832</u>	<u>-</u>
Total expenditures	<u>1,500,000</u>	<u>1,521,580</u>	<u>1,521,580</u>	<u>-</u>
Excess of revenues over (under) expenditures	(700,000)	(721,580)	(742,956)	(21,376)
Other financing sources (uses):				
Transfers - in	<u>700,000</u>	<u>831,069</u>	<u>831,069</u>	<u>-</u>
Net change in fund balance	-	109,489	88,113	(21,376)
Fund balance at beginning of year	<u>221,590</u>	<u>221,590</u>	<u>221,590</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>221,590</u></u>	\$ <u><u>331,079</u></u>	\$ <u><u>309,703</u></u>	\$ <u><u>(21,376)</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,375,000	\$ 3,375,000	\$ 3,217,532	\$ (157,468)
Intergovernmental	380,000	380,000	411,966	31,966
Miscellaneous	250,000	250,000	254,555	4,555
Total revenues	<u>4,005,000</u>	<u>4,005,000</u>	<u>3,884,053</u>	<u>(120,947)</u>
Expenditures:				
Current:				
Support services:				
Operations and maintenance of plant:				
Purchased services	81,094	707,830	653,293	54,537
Supplies and materials	-	47,510	47,510	-
Total support services	<u>81,094</u>	<u>755,340</u>	<u>700,803</u>	<u>54,537</u>
Capital outlay:				
Site acquisition	4,178,269	2,554,024	2,522,343	31,681
Total expenditures	<u>4,259,363</u>	<u>3,309,364</u>	<u>3,223,146</u>	<u>86,218</u>
Excess of revenues over (under) expenditures	<u>(254,363)</u>	<u>695,636</u>	<u>660,907</u>	<u>(34,729)</u>
Other financing sources (uses):				
Transfers - out	(50,000)	(831,069)	(831,069)	-
Advances - out	-	(49,704)	(49,704)	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>(880,773)</u>	<u>(880,773)</u>	<u>-</u>
Net change in fund balance	(304,363)	(185,137)	(219,866)	(34,729)
Fund balance at beginning of year	25,729	25,729	25,729	-
Prior year encumbrances appropriated	<u>304,364</u>	<u>304,364</u>	<u>304,364</u>	<u>-</u>
Fund balance at end of year	\$ <u>25,730</u>	\$ <u>144,956</u>	\$ <u>110,227</u>	\$ <u>(34,729)</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$ 2,747	\$ 2,747	\$ -	\$ (2,747)
Miscellaneous	8,720	110,735	125,940	15,205
Total revenues	<u>11,467</u>	<u>113,482</u>	<u>125,940</u>	<u>12,458</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:				
Pupil:				
Other	10,065	10,065	500	9,565
Central:				
Purchased services	-	105,927	101,066	4,861
Total support services	<u>10,065</u>	<u>115,992</u>	<u>101,566</u>	<u>14,426</u>
Operation of non-instructional services:				
Community services:				
Purchased services	26,091	26,091	-	26,091
Supplies and materials	22,017	22,017	-	22,017
Other	45,027	85,571	2,000	83,571
Total operation of non-instructional services	<u>93,135</u>	<u>133,679</u>	<u>2,000</u>	<u>131,679</u>
Extracurricular activities:				
Other	20,138	20,938	2,600	18,338
Total expenditures	<u>125,142</u>	<u>272,413</u>	<u>106,166</u>	<u>166,247</u>
Net change in fund balance	(113,675)	(158,931)	19,774	178,705
Fund balance at beginning of year	<u>352,231</u>	<u>352,231</u>	<u>352,231</u>	<u>-</u>
Fund balance at end of year	\$ <u>238,556</u>	\$ <u>193,300</u>	\$ <u>372,005</u>	\$ <u>178,705</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 52,925	\$ 149,592	\$ 125,045	\$ (24,547)
Classroom materials and fees	-	26,783	26,783	-
Miscellaneous	5,352	146,912	66,021	(80,891)
Total revenues	<u>58,277</u>	<u>323,287</u>	<u>217,849</u>	<u>(105,438)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	3,000	3,000	1,089	1,911
Employee benefits	450	450	160	290
Purchased services	25,295	115,450	85,179	30,271
Supplies and materials	33,083	186,951	94,463	92,488
Capital outlay	72	6,768	6,356	412
Other	41,339	56,389	30,606	25,783
Total instruction	<u>103,239</u>	<u>369,008</u>	<u>217,853</u>	<u>151,155</u>
Support services:				
Instructional staff:				
Supplies and materials	<u>197</u>	<u>2,570</u>	<u>585</u>	<u>1,985</u>
Administration:				
Purchased services	-	2,170	2,170	-
Supplies and materials	-	670	670	-
Capital outlay	-	1,160	1,160	-
Total administration	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Business:				
Supplies and materials	<u>580</u>	<u>1,280</u>	<u>580</u>	<u>700</u>
Total support services	<u>777</u>	<u>7,850</u>	<u>5,165</u>	<u>2,685</u>
Total expenditures	<u>104,016</u>	<u>376,858</u>	<u>223,018</u>	<u>153,840</u>
Net change in fund balance	(45,739)	(53,571)	(5,169)	48,402
Fund balance at beginning of year	43,208	43,208	43,208	-
Prior year encumbrances appropriated	<u>20,712</u>	<u>20,712</u>	<u>20,712</u>	<u>-</u>
Fund balance at end of year	\$ <u>18,181</u>	\$ <u>10,349</u>	\$ <u>58,751</u>	\$ <u>48,402</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 8,242	\$ 7,605	\$ (637)
Miscellaneous	63,899	902,128	645,304	(256,824)
Total revenues	<u>63,899</u>	<u>910,370</u>	<u>652,909</u>	<u>(257,461)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	15,757	4,156	2,480	1,676
Employee benefits	769	1,216	95	1,121
Purchased services	2,310	32,525	27,923	4,602
Supplies and materials	3,800	85,514	21,014	64,500
Capital outlay	11,596	11,596	3,086	8,510
Other	<u>662</u>	<u>12,292</u>	<u>11,935</u>	<u>357</u>
Total regular	<u>34,894</u>	<u>147,299</u>	<u>66,533</u>	<u>80,766</u>
Special:				
Supplies and materials	218	1,406	1,096	310
Capital outlay	<u>-</u>	<u>3,812</u>	<u>3,776</u>	<u>36</u>
Total special	<u>218</u>	<u>5,218</u>	<u>4,872</u>	<u>346</u>
Vocational:				
Salaries and wages	-	1,500	1,500	-
Employee benefits	-	258	258	-
Purchased services	1,271	1,271	696	575
Supplies and materials	6,675	7,052	477	6,575
Capital outlay	<u>1,049</u>	<u>4,937</u>	<u>3,888</u>	<u>1,049</u>
Total vocational	<u>8,995</u>	<u>15,018</u>	<u>6,819</u>	<u>8,199</u>
Adult/continuing				
Salaries and wages	5,687	160,791	130,017	30,774
Employee benefits	8,569	34,806	28,546	6,260
Purchased services	2,032	103,790	65,437	38,353
Supplies and materials	-	86,913	63,296	23,617
Capital outlay	-	4,682	4,682	-
Other	<u>-</u>	<u>35,325</u>	<u>34,427</u>	<u>898</u>
Total adult/continuing	<u>16,288</u>	<u>426,307</u>	<u>326,405</u>	<u>99,902</u>
Total instruction	<u>60,395</u>	<u>593,842</u>	<u>404,629</u>	<u>189,213</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services:				
Pupil:				
Purchased services	2,568	4,794	2,143	2,651
Supplies and materials	10,011	10,601	2,570	8,031
Capital outlay	6,720	7,639	6,078	1,561
Total pupil	19,299	23,034	10,791	12,243
Instructional staff:				
Salaries and wages	848	36,263	7,787	28,476
Employee benefits	147	6,232	1,010	5,222
Purchased services	5,477	72,056	63,292	8,764
Supplies and materials	1,433	12,033	10,641	1,392
Total instructional staff	7,905	126,584	82,730	43,854
Administration:				
Salaries and wages	-	213	213	-
Employee benefits	-	37	37	-
Purchased services	8,970	3,692	1,711	1,981
Supplies and materials	577	3,952	2,837	1,115
Total administration	9,547	7,894	4,798	3,096
Operations and maintenance of plant:				
Purchased services	88	1,812	1,812	-
Supplies and materials	1,391	2,773	1,965	808
Other	428	687	687	-
Total operations and maintenance of plant	1,907	5,272	4,464	808
Pupil transportation:				
Purchased services	4,977	4,977	180	4,797
Total support services	43,635	167,761	102,963	64,798

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	5,000	5,000	5,000	-
Supplies and materials	2,143	1,018	-	1,018
Other	634	634	500	134
Total operation of non-instructional services	<u>7,777</u>	<u>6,652</u>	<u>5,500</u>	<u>1,152</u>
Extracurricular activities:				
Supplies and materials	250	250	-	250
Other	-	7,000	7,000	-
Total extracurricular activities	<u>250</u>	<u>7,250</u>	<u>7,000</u>	<u>250</u>
Total expenditures	<u>112,057</u>	<u>775,505</u>	<u>520,092</u>	<u>255,413</u>
Excess of revenues over (under) expenditures	<u>(48,158)</u>	<u>134,865</u>	<u>132,817</u>	<u>(2,048)</u>
Other financing sources (uses):				
Advances - in	-	40,343	40,343	-
Advances - out	<u>-</u>	<u>(221,353)</u>	<u>(221,353)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(181,010)</u>	<u>(181,010)</u>	<u>-</u>
Net change in fund balance	(48,158)	(46,145)	(48,193)	(2,048)
Fund balance at beginning of year	1,305	1,305	1,305	-
Prior year encumbrances appropriated	<u>46,888</u>	<u>46,888</u>	<u>46,888</u>	<u>-</u>
Fund balance at end of year	\$ <u>35</u>	\$ <u>2,048</u>	\$ <u>-</u>	\$ <u>(2,048)</u>

Cleveland Heights-University Heights City School District

Venture Capital - Boulevard Fund

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

For the Fiscal Year Ended June 30, 2008

	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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 192,231	\$ 213,713	\$ 106,456	\$ (107,257)
Miscellaneous	109,366	149,841	30,952	(118,889)
Total revenues	<u>301,597</u>	<u>363,554</u>	<u>137,408</u>	<u>(226,146)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	-	479	-	479
Special education:				
Salaries and wages	-	129	129	-
Total instruction	<u>-</u>	<u>608</u>	<u>129</u>	<u>479</u>
Operation of non-instructional services:				
Community services:				
Supplies and materials	-	2,450	531	1,919
Extracurricular activities:				
Salaries and wages	17,200	10,343	10,343	-
Employee benefits	700	1,897	1,776	121
Purchased services	146,635	206,093	166,167	39,926
Supplies and materials	190,743	249,084	184,940	64,144
Capital outlay	-	3,842	3,842	-
Other	8,400	10,880	3,894	6,986
Total extracurricular activities	<u>363,678</u>	<u>482,139</u>	<u>370,962</u>	<u>111,177</u>
Total expenditures	<u>363,678</u>	<u>485,197</u>	<u>371,622</u>	<u>113,575</u>
Excess of revenues over (under) expenditures	(62,081)	(121,643)	(234,214)	(112,571)
Other financing sources (uses):				
Transfers - in	-	169,511	169,511	-
Net change in fund balance	(62,081)	47,868	(64,703)	(112,571)
Fund balance at beginning of year	62,271	62,271	62,271	-
Prior year encumbrances appropriated	<u>2,432</u>	<u>2,432</u>	<u>2,432</u>	<u>-</u>
Fund balance at end of year	\$ <u>2,622</u>	\$ <u>112,571</u>	\$ <u>-</u>	\$ <u>(112,571)</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 1,962,731	\$ 1,962,731	\$ -
Earnings on investments	-	47,305	47,305	-
Total revenues	<u>-</u>	<u>2,010,036</u>	<u>2,010,036</u>	<u>-</u>
Expenditures:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	-	162,358	162,358	-
Employee benefits	-	51,981	51,981	-
Purchased services	13,278	1,108,283	1,075,572	32,711
Supplies and materials	126,405	694,521	493,539	200,982
Capital outlay	<u>119,374</u>	<u>269,705</u>	<u>206,404</u>	<u>63,301</u>
Total expenditures	<u>259,057</u>	<u>2,286,848</u>	<u>1,989,854</u>	<u>296,994</u>
Net change in fund balance	(259,057)	(276,812)	20,182	296,994
Fund balance at beginning of year	114,302	114,302	114,302	-
Prior year encumbrances appropriated	<u>259,057</u>	<u>259,057</u>	<u>259,057</u>	<u>-</u>
Fund balance at end of year	\$ <u>114,302</u>	\$ <u>96,547</u>	\$ <u>393,541</u>	\$ <u>296,994</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Fund balance at beginning of year	\$ <u>431</u>	\$ <u>431</u>	\$ <u>431</u>	\$ <u>-</u>
Fund balance at end of year	\$ <u><u>431</u></u>	\$ <u><u>431</u></u>	\$ <u><u>431</u></u>	\$ <u><u>-</u></u>

Cleveland Heights-University Heights City School District

Educational Management Information System Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 22,261	\$ 22,261	\$ -
Expenditures:				
Current:				
Support services:				
Central:				
Salaries and wages	-	59,601	59,601	-
Employee benefits	-	27,461	27,461	-
Purchased services	1,100	977	977	-
Other	6,030	4,114	4,114	-
Total expenditures	7,130	92,153	92,153	-
Excess of revenues over (under) expenditures	(7,130)	(69,892)	(69,892)	-
Other financing sources (uses):				
Transfer - in	35,000	64,954	64,954	-
Net change in fund balance	27,870	(4,938)	(4,938)	-
Fund balance at beginning of year	4,938	4,938	4,938	-
Fund balance at end of year	\$ 32,808	\$ -	\$ -	\$ -

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 31,231	\$ 178,098	\$ 132,186	\$ (45,912)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	56,604	56,604	-
Employee benefits	-	14,113	13,341	772
Purchased services	-	602	584	18
Supplies and materials	1,655	4,761	4,010	751
Total instruction	1,655	76,080	74,539	1,541
Support services:				
Instructional staff:				
Salaries and wages	-	26,669	26,669	-
Employee benefits	-	6,985	5,525	1,460
Purchased services	-	6,435	5,609	826
Other	-	950	950	-
Total instructional staff	-	41,039	38,753	2,286
Administration:				
Salaries and wages	-	15,592	15,592	-
Employee benefits	-	5,786	5,111	675
Total administration	-	21,378	20,703	675
Pupil transportation:				
Purchased services	-	3,527	2,409	1,118
Total support services	-	65,944	61,865	4,079
Total expenditures	1,655	142,024	136,404	5,620
Excess of revenues over (under) expenditures	29,576	36,074	(4,218)	(40,292)
Other financing sources (uses):				
Advances - in	-	17,114	17,114	-
Advances - out	-	(14,566)	(14,566)	-
Total other financing sources (uses)	-	2,548	2,548	-
Net change in fund balance	29,576	38,622	(1,670)	(40,292)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	1,670	1,670	1,670	-
Fund balance at end of year	\$ 31,246	\$ 40,292	\$ -	\$ (40,292)

Cleveland Heights-University Heights City School District

One Net Communique Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,800	\$ 44,800	\$ 42,000	\$ (2,800)
Expenditures:				
Capital outlay:				
Building improvement services:				
Purchased services	43,570	85,570	85,570	-
Net change in fund balance	(40,770)	(40,770)	(43,570)	(2,800)
Fund balance at beginning of year	43,570	43,570	43,570	-
Fund balance at end of year	\$ 2,800	\$ 2,800	\$ -	\$ (2,800)

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 20,000	\$ 12,970	\$ (7,030)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	1,100	515	585
Purchased services	-	18,900	1,666	17,234
Total instruction	-	20,000	2,181	17,819
Support services:				
Pupil:				
Purchased services	923	-	-	-
Instructional staff:				
Salaries and wages	195	195	-	195
Employee benefits	487	633	445	188
Total instructional staff	682	828	445	383
Total support services	1,605	828	445	383
Total expenditures	1,605	20,828	2,626	18,202
Net change in fund balance	(1,605)	(828)	10,344	11,172
Fund balance at beginning of year	1,237	1,237	1,237	-
Prior year encumbrances appropriated	368	368	368	-
Fund balance at end of year	\$ -	\$ 777	\$ 11,949	\$ 11,172

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, 2008

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
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>1,602</u>	\$ <u>1,602</u>	\$ <u>1,602</u>	\$ <u>-</u>

Cleveland Heights-University Heights City School District

Ohio Reads Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>50,509</u>	\$ <u>50,509</u>	\$ <u>13,045</u>	\$ <u>(37,464)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	6,278	6,278	-	6,278
Supplies and materials	20,179	20,179	8,742	11,437
Capital outlay	<u>2,798</u>	<u>2,798</u>	<u>2,751</u>	<u>47</u>
Total instruction	<u>29,255</u>	<u>29,255</u>	<u>11,493</u>	<u>17,762</u>
Support services:				
Pupil:				
Purchased services	2,625	2,625	-	2,625
Supplies and materials	<u>759</u>	<u>759</u>	<u>467</u>	<u>292</u>
Total pupil	<u>3,384</u>	<u>3,384</u>	<u>467</u>	<u>2,917</u>
Administration:				
Salaries and wages	11,418	11,418	-	11,418
Employee benefits	20,495	5,620	-	5,620
Supplies and materials	<u>381</u>	<u>381</u>	<u>-</u>	<u>381</u>
Total administration	<u>32,294</u>	<u>17,419</u>	<u>-</u>	<u>17,419</u>
Total support services	<u>35,678</u>	<u>20,803</u>	<u>467</u>	<u>20,336</u>
Total expenditures	<u>64,933</u>	<u>50,058</u>	<u>11,960</u>	<u>38,098</u>
Excess of revenues over (under) expenditures	(14,424)	451	1,085	634
Other financing sources (uses):				
Advances - out	<u>-</u>	<u>(2,885)</u>	<u>(2,885)</u>	<u>-</u>
Net change in fund balance	(14,424)	(2,434)	(1,800)	634
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>14,461</u>	<u>14,461</u>	<u>14,461</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>37</u></u>	\$ <u><u>12,027</u></u>	\$ <u><u>12,661</u></u>	\$ <u><u>634</u></u>

Cleveland Heights-University Heights City School District

Career Technical/Adult Education Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,995	\$ 4,995	\$ -	\$ (4,995)
Expenditures:				
Current:				
Support services:				
Pupil:				
Capital outlay	<u>168</u>	<u>168</u>	<u>-</u>	<u>168</u>
Net change in fund balance	4,827	4,827	-	(4,827)
Fund balance at beginning of year	<u>2,176</u>	<u>2,176</u>	<u>2,176</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>7,003</u></u>	\$ <u><u>7,003</u></u>	\$ <u><u>2,176</u></u>	\$ <u><u>(4,827)</u></u>

Cleveland Heights-University Heights City School District

Poverty Aid Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 3,091,748	\$ 3,091,748	\$ -
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	2,927,338	2,927,338	-
Adult/continuing:				
Salaries and wages	-	482,199	482,199	-
Total expenditures	-	3,409,537	3,409,537	-
Excess of revenues over (under) expenditures	-	(317,789)	(317,789)	-
Other financing sources (uses):				
Transfers - in	-	317,789	317,789	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

Alternative School Grant Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 37,943	\$ 211,856	\$ 173,942	\$ (37,914)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	8,070	172,802	172,802	-
Employee benefits	-	55,833	50,374	5,459
Total expenditures	8,070	228,635	223,176	5,459
Excess of revenues over (under) expenditures	29,873	(16,779)	(49,234)	(32,455)
Other financing sources (uses):				
Advances - in	-	79,106	79,106	-
Advances - out	-	(29,872)	(29,872)	-
Total other financing sources (uses)	-	49,234	49,234	-
Net change in fund balance	29,873	32,455	-	(32,455)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 29,873	\$ 32,455	\$ -	\$ (32,455)

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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
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>4,358</u></u>	\$ <u><u>4,358</u></u>	\$ <u><u>4,358</u></u>	\$ <u><u>-</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 103,386	\$ 258,618	\$ 96,762	\$ (161,856)
Miscellaneous	14,354	14,354	-	(14,354)
Total revenues	<u>117,740</u>	<u>272,972</u>	<u>96,762</u>	<u>(176,210)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	<u>18,805</u>	<u>18,805</u>	<u>10,051</u>	<u>8,754</u>
Special:				
Salaries and wages	3,097	3,097	-	3,097
Employee benefits	1,368	1,837	-	1,837
Purchased services	8,911	25,871	24,960	911
Supplies and materials	<u>325</u>	<u>4,722</u>	<u>3,281</u>	<u>1,441</u>
Total special	<u>13,701</u>	<u>35,527</u>	<u>28,241</u>	<u>7,286</u>
Total instruction	<u>32,506</u>	<u>54,332</u>	<u>38,292</u>	<u>16,040</u>
Support services:				
Pupil:				
Salaries and wages	5,512	5,512	-	5,512
Employee benefits	3,116	3,626	-	3,626
Purchased services	5,754	5,754	-	5,754
Supplies and materials	1,882	15,882	-	15,882
Capital outlay	<u>6,000</u>	<u>24,909</u>	<u>-</u>	<u>24,909</u>
Total pupil	<u>22,264</u>	<u>55,683</u>	<u>-</u>	<u>55,683</u>
Instructional staff:				
Salaries and wages	4,000	4,000	-	4,000
Employee benefits	853	687	-	687
Purchased services	17,650	29,946	23,762	6,184
Supplies and materials	<u>4,972</u>	<u>11,751</u>	<u>8,599</u>	<u>3,152</u>
Total instructional staff	<u>27,475</u>	<u>46,384</u>	<u>32,361</u>	<u>14,023</u>
Total support services	<u>49,739</u>	<u>102,067</u>	<u>32,361</u>	<u>69,706</u>
Operation of non-instructional services:				
Community services:				
Purchased services	<u>38,245</u>	<u>127,524</u>	<u>2,201</u>	<u>125,323</u>
Total expenditures	<u>120,490</u>	<u>283,923</u>	<u>72,854</u>	<u>211,069</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balance	(2,750)	(10,951)	23,908	34,859
Fund balance at beginning of year	11,720	11,720	11,720	-
Prior year encumbrances appropriated	<u>5,118</u>	<u>5,118</u>	<u>5,118</u>	-
Fund balance at end of year	\$ <u><u>14,088</u></u>	\$ <u><u>5,887</u></u>	\$ <u><u>40,746</u></u>	\$ <u><u>34,859</u></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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 67,753	\$ 367,418	\$ 206,713	\$ (160,705)
Expenditures:				
Current:				
Instruction:				
Adult/continuing:				
Salaries and wages	31,274	147,003	126,798	20,205
Employee benefits	10,827	30,087	24,148	5,939
Supplies and materials	-	9,430	5,261	4,169
Capital outlay	-	15,910	9,027	6,883
Total instruction	42,101	202,430	165,234	37,196
Support services:				
Pupil:				
Salaries and wages	5,000	92,654	57,798	34,856
Employee benefits	1,200	30,846	16,845	14,001
Purchased services	-	29,429	20,118	9,311
Supplies and materials	-	6,113	4,382	1,731
Other	-	2,223	669	1,554
Total support services	6,200	161,265	99,812	61,453
Total expenditures	48,301	363,695	265,046	98,649
Excess of revenues over (under) expenditures	19,452	3,723	(58,333)	(62,056)
Other financing sources (uses):				
Advances - in	-	86,453	86,453	-
Advances - out	-	(7,690)	(7,690)	-
Total other financing sources (uses)	-	78,763	78,763	-
Net change in fund balance	19,452	82,486	20,430	(62,056)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	5,130	5,130	5,130	-
Fund balance at end of year	\$ 24,582	\$ 87,616	\$ 25,560	\$ (62,056)

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 559,835	\$ 2,369,752	\$ 1,883,384	\$ (486,368)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	61,169	74,425	38,582	35,843
Employee benefits	21,997	31,104	3,749	27,355
Purchased services	50,277	108,542	66,047	42,495
Supplies and materials	328,638	470,864	464,710	6,154
Capital outlay	15,565	56,580	15,146	41,434
Total instruction	477,646	741,515	588,234	153,281
Support services:				
Pupil:				
Salaries and wages	66,650	93,840	93,840	-
Employee benefits	51,384	49,117	34,089	15,028
Purchased services	4,962	11,508	6,350	5,158
Supplies and materials	3,250	14,056	10,170	3,886
Capital outlay	4,000	4,000	1,070	2,930
Total pupil	130,246	172,521	145,519	27,002
Instructional staff:				
Salaries and wages	55,332	473,090	440,352	32,738
Employee benefits	124,475	297,112	257,182	39,930
Purchased services	62,072	147,160	97,151	50,009
Supplies and materials	4,197	3,200	-	3,200
Total instructional staff	246,076	920,562	794,685	125,877
Administration:				
Salaries and wages	17,067	291,865	244,053	47,812
Employee benefits	39,951	143,786	129,447	14,339
Purchased services	15,204	47,196	34,091	13,105
Supplies and materials	31,052	47,146	35,959	11,187
Other	600	3,000	2,400	600
Total administration	103,874	532,993	445,950	87,043
Pupil transportation:				
Salaries and wages	391	4,610	1,166	3,444
Employee benefits	9,039	22,726	868	21,858
Purchased services	15,139	40,638	34,500	6,138
Total pupil transportation	24,569	67,974	36,534	31,440
Total support services	504,765	1,694,050	1,422,688	271,362

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	27,716	44,252	16,120	28,132
Employee benefits	8,863	7,738	5,243	2,495
Purchased services	58,598	71,629	54,978	16,651
Supplies and materials	696	5,451	-	5,451
Total operation of non-instructional services	<u>95,873</u>	<u>129,070</u>	<u>76,341</u>	<u>52,729</u>
Total expenditures	<u>1,078,284</u>	<u>2,564,635</u>	<u>2,087,263</u>	<u>477,372</u>
Excess of revenues over (under) expenditures	<u>(518,449)</u>	<u>(194,883)</u>	<u>(203,879)</u>	<u>(8,996)</u>
Other financing sources (uses):				
Transfers - in	901,012	-	-	-
Advances - in	-	432,104	432,104	-
Advances - out	<u>-</u>	<u>(585,297)</u>	<u>(585,297)</u>	<u>-</u>
Total other financing sources (uses)	<u>901,012</u>	<u>(153,193)</u>	<u>(153,193)</u>	<u>-</u>
Net change in fund balance	382,563	(348,076)	(357,072)	(8,996)
Fund balance at beginning of year	22	22	22	-
Prior year encumbrances appropriated	<u>357,050</u>	<u>357,050</u>	<u>357,050</u>	<u>-</u>
Fund balance at end of year	\$ <u>739,635</u>	\$ <u>8,996</u>	\$ <u>-</u>	\$ <u>(8,996)</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,604	\$ 335,235	\$ 257,272	\$ (77,963)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	3,852	82,760	82,760	-
Employee benefits	2,858	38,741	38,119	622
Purchased services	4,218	6,175	3,230	2,945
Capital outlay	9,250	9,250	6,874	2,376
Total instruction	20,178	136,926	130,983	5,943
Support services:				
Pupil:				
Salaries and wages	26,813	86,331	61,331	25,000
Employee benefits	1,673	24,793	24,485	308
Total pupil	28,486	111,124	85,816	25,308
Instructional staff:				
Salaries and wages	1,597	1,683	344	1,339
Employee benefits	764	764	-	764
Total instructional staff	2,361	2,447	344	2,103
Pupil transportation:				
Purchased services	2,466	34,211	675	33,536
Central:				
Purchased services	5,152	5,152	220	4,932
Supplies and materials	8,440	8,440	-	8,440
Other	1,110	4,524	1,000	3,524
Total central	14,702	18,116	1,220	16,896
Total support services	48,015	165,898	88,055	77,843
Total expenditures	68,193	302,824	219,038	83,786

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	32,411	32,411	38,234	5,823
Other financing sources (uses):				
Advances - out	-	(45,811)	(45,811)	-
Net change in fund balance	32,411	(13,400)	(7,577)	5,823
Fund balance at beginning of year	78	78	78	-
Prior year encumbrances appropriated	14,068	14,068	14,068	-
Fund balance at end of year	\$ 46,557	\$ 746	\$ 6,569	\$ 5,823

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,379	\$ 54,934	\$ 43,846	\$ (11,088)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	9,543	27,232	27,232	-
Employee benefits	1,655	4,724	4,724	-
Purchased services	2,979	8,500	6,728	1,772
Supplies and materials	2,210	6,306	6,306	-
Total expenditures	16,387	46,762	44,990	1,772
Excess of revenues over (under) expenditures	3,992	8,172	(1,144)	(9,316)
Other financing sources (uses):				
Advances - out	-	(8,939)	(8,939)	-
Net change in fund balance	3,992	(767)	(10,083)	(9,316)
Fund balance at beginning of year	2	2	2	-
Prior year encumbrances appropriated	9,097	9,097	9,097	-
Fund balance at end of year	\$ 13,091	\$ 8,332	\$ (984)	\$ (9,316)

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support services:				
Pupil:				
Supplies and materials	\$ 115	\$ -	\$ -	\$ -
Net change in fund balance	(115)	-	-	-
Fund balance at beginning of year	115	115	115	-
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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 196,319	\$ 1,439,886	\$ 835,805	\$ (604,081)
Miscellaneous	<u>3,576</u>	<u>2,798</u>	<u>6,374</u>	<u>3,576</u>
Total revenues	<u>199,895</u>	<u>1,442,684</u>	<u>842,179</u>	<u>(600,505)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	2,082	16,062	4,781	11,281
Supplies and materials	<u>926</u>	<u>7,143</u>	<u>521</u>	<u>6,622</u>
Total regular	<u>3,008</u>	<u>23,205</u>	<u>5,302</u>	<u>17,903</u>
Special:				
Salaries and wages	70,683	545,322	543,339	1,983
Employee benefits	22,603	174,381	169,531	4,850
Supplies and materials	1,702	13,132	8,307	4,825
Capital outlay	<u>3,478</u>	<u>26,837</u>	<u>17,938</u>	<u>8,899</u>
Total special	<u>98,466</u>	<u>759,672</u>	<u>739,115</u>	<u>20,557</u>
Total instruction	<u>101,474</u>	<u>782,877</u>	<u>744,417</u>	<u>38,460</u>
Support services:				
Pupil:				
Salaries and wages	5,954	45,934	39,666	6,268
Employee benefits	1,420	10,958	9,406	1,552
Purchased services	<u>3,552</u>	<u>27,405</u>	<u>2,977</u>	<u>24,428</u>
Total pupil	<u>10,926</u>	<u>84,297</u>	<u>52,049</u>	<u>32,248</u>
Instructional staff:				
Salaries and wages	7,924	61,129	33,540	27,589
Employee benefits	3,439	26,533	21,611	4,922
Purchased services	7,806	60,226	34,747	25,479
Supplies and materials	<u>6,127</u>	<u>47,272</u>	<u>28,952</u>	<u>18,320</u>
Total instructional staff	<u>25,296</u>	<u>195,160</u>	<u>118,850</u>	<u>76,310</u>
Administration:				
Salaries and wages	5,880	45,364	45,364	-
Employee benefits	2,697	20,805	15,718	5,087
Other	<u>1,296</u>	<u>10,000</u>	<u>6,591</u>	<u>3,409</u>
Total administration	<u>9,873</u>	<u>76,169</u>	<u>67,673</u>	<u>8,496</u>
Pupil transportation:				
Contractual services	<u>1,175</u>	<u>9,070</u>	<u>8,513</u>	<u>557</u>
Total support services	<u>47,270</u>	<u>364,696</u>	<u>247,085</u>	<u>117,611</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	5,185	40,000	38,765	1,235
Employee benefits	1,861	14,352	13,791	561
Purchased services	1,071	8,259	8,259	-
Total operation of non-instructional services	<u>8,117</u>	<u>62,611</u>	<u>60,815</u>	<u>1,796</u>
Total expenditures	<u>156,861</u>	<u>1,210,184</u>	<u>1,052,317</u>	<u>157,867</u>
Excess of revenues over (under) expenditures	43,034	232,500	(210,138)	(442,638)
Other financing sources (uses):				
Advances - in	<u>-</u>	<u>148,192</u>	<u>148,192</u>	<u>-</u>
Net change in fund balance	43,034	380,692	(61,946)	(442,638)
Fund balance at beginning of year	32,217	32,217	32,217	-
Prior year encumbrances appropriated	<u>29,729</u>	<u>29,729</u>	<u>29,729</u>	<u>-</u>
Fund balance at end of year	\$ <u>104,980</u>	\$ <u>442,638</u>	\$ <u>-</u>	\$ <u>(442,638)</u>

Cleveland Heights-University Heights City School District

Title V Innovative Program Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,684	\$ 19,309	\$ 16,711	\$ (2,598)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	-	6,937	6,937	-
Employee benefits	-	2,950	2,950	-
Total support services	-	9,887	9,887	-
Operation of non-instructional services:				
Community services:				
Purchased services	-	1,395	1,305	90
Supplies and materials	242	3,831	3,831	-
Total operation of non-instructional services	242	5,226	5,136	90
Total expenditures	242	15,113	15,023	90
Excess of revenues over (under) expenditures	5,442	4,196	1,688	(2,508)
Other financing sources (uses):				
Advances - out	-	(887)	(887)	-
Net change in fund balance	5,442	3,309	801	(2,508)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	242	242	242	-
Fund balance at end of year	\$ 5,684	\$ 3,551	\$ 1,043	\$ (2,508)

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,349	\$ 35,426	\$ 25,444	\$ (9,982)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	-	15,186	15,186	-
Employee benefits	-	5,901	5,901	-
Purchased services	1,802	6,850	4,007	2,843
Total expenditures	1,802	27,937	25,094	2,843
Excess of revenues over (under) expenditures	8,547	7,489	350	(7,139)
Other financing sources (uses):				
Advances - in	-	5,289	5,289	-
Advances - out	-	(7,441)	(7,441)	-
Total other financing sources (uses)	-	(2,152)	(2,152)	-
Net change in fund balance	8,547	5,337	(1,802)	(7,139)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	1,802	1,802	1,802	-
Fund balance at end of year	\$ 10,349	\$ 7,139	\$ -	\$ (7,139)

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,675	\$ 44,638	\$ 36,391	\$ (8,247)
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	500	500	500	-
Special:				
Supplies and materials	2,754	4,024	3,278	746
Total instruction	3,254	4,524	3,778	746
Support services:				
Pupil:				
Salaries and wages	875	32,396	32,396	-
Employee benefits	830	8,940	7,949	991
Total support services	1,705	41,336	40,345	991
Total expenditures	4,959	45,860	44,123	1,737
Excess of revenues over (under) expenditures	(2,284)	(1,222)	(7,732)	(6,510)
Other financing sources (uses):				
Advances - in	-	39,614	39,614	-
Net change in fund balance	(2,284)	38,392	31,882	(6,510)
Fund balance at beginning of year	109	109	109	-
Prior year encumbrances	2,176	2,176	2,176	-
Fund balance at end of year	\$ 1	\$ 40,677	\$ 34,167	\$ (6,510)

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 56,336	\$ 345,650	\$ 269,426	\$ (76,224)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	1,226	1,226	-
Purchased services	-	1,842	339	1,503
Supplies and materials	-	1,978	1,978	-
Total instruction	-	5,046	3,543	1,503
Support services:				
Instructional staff:				
Salaries and wages	18,364	167,568	167,568	-
Employee benefits	5,981	54,578	54,578	-
Purchased services	3,702	42,116	33,778	8,338
Supplies and materials	1,393	28,006	12,696	15,310
Total support services	29,440	292,268	268,620	23,648
Operation of non-instructional services:				
Community services:				
Purchased services	-	6,757	3,839	2,918
Total expenditures	29,440	304,071	276,002	28,069
Excess of revenues over (under) expenditures	26,896	41,579	(6,576)	(48,155)
Other financing sources (uses):				
Advances - in	-	13,510	13,510	-
Advances - out	-	(25,202)	(25,202)	-
Total other financing sources (uses)	-	(11,692)	(11,692)	-
Net change in fund balance	26,896	29,887	(18,268)	(48,155)
Fund balance at beginning of year	3,957	3,957	3,957	-
Prior year encumbrances appropriated	14,311	14,311	14,311	-
Fund balance at end of year	\$ 45,164	\$ 48,155	\$ -	\$ (48,155)

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 523,030	\$ 800,532	\$ 420,572	\$ (379,960)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	12,301	82,702	82,702	-
Employee benefits	2,114	14,213	14,213	-
Purchased services	4,474	30,083	12,776	17,307
Supplies and materials	4,517	30,368	25,723	4,645
Other	1,807	12,149	12,149	-
Total regular	25,213	169,515	147,563	21,952
Support services:				
Pupil:				
Salaries and wages	29,734	199,903	199,903	-
Employee benefits	9,601	64,544	64,544	-
Purchased services	12,791	85,994	85,994	-
Supplies and materials	1,251	8,412	8,412	-
Total pupil	53,377	358,853	358,853	-
Instructional staff:				
Salaries and wages	73	490	490	-
Employee benefits	11	84	84	-
Purchased services	2,010	13,519	13,519	-
Supplies and materials	1,828	12,287	12,287	-
Total instructional staff	3,922	26,380	26,380	-
Administration:				
Salaries and wages	5,298	35,620	35,295	325
Employee benefits	1,297	8,719	8,719	-
Purchased services	222	1,493	1,493	-
Supplies and materials	112	751	751	-
Total administration	6,929	46,583	46,258	325
Pupil transportation:				
Purchased services	3,096	20,814	20,355	459

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	3,705	24,906	24,906	-
Employee benefits	1,957	13,154	13,154	-
Purchased services	<u>4,658</u>	<u>31,317</u>	<u>31,317</u>	<u>-</u>
Total central	<u>10,320</u>	<u>69,377</u>	<u>69,377</u>	<u>-</u>
Total support services	<u>77,644</u>	<u>522,007</u>	<u>521,223</u>	<u>784</u>
Operation of non-instructional services:				
Community services:				
Purchased services	82	537	537	-
Supplies and materials	170	1,146	1,146	-
Capital outlay	<u>397</u>	<u>2,664</u>	<u>534</u>	<u>2,130</u>
Total operation of non-instructional services	<u>649</u>	<u>4,347</u>	<u>2,217</u>	<u>2,130</u>
Total expenditures	<u>103,506</u>	<u>695,869</u>	<u>671,003</u>	<u>24,866</u>
Excess of revenues over (under) expenditures	<u>419,524</u>	<u>104,663</u>	<u>(250,431)</u>	<u>(355,094)</u>
Other financing sources (uses):				
Advances - in	-	376,670	376,670	-
Advances - out	<u>-</u>	<u>(233,571)</u>	<u>(233,544)</u>	<u>27</u>
Total other financing sources (uses)	<u>-</u>	<u>143,099</u>	<u>143,126</u>	<u>27</u>
Net change in fund balance	419,524	247,762	(107,305)	(355,067)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>107,305</u>	<u>107,305</u>	<u>107,305</u>	<u>-</u>
Fund balance at end of year	\$ <u>526,829</u>	\$ <u>355,067</u>	\$ <u>-</u>	\$ <u>(355,067)</u>

Cleveland Heights-University Heights City School District

School Net Plus Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 43,132	\$ 43,132	\$ -
Expenditures:				
Current:				
Support services:				
Pupil:				
Supplies and materials	1,379	14,526	-	14,526
Capital outlay	-	29,985	-	29,985
Total expenditures	1,379	44,511	-	44,511
Net change in fund balance	(1,379)	(1,379)	43,132	44,511
Fund balance at beginning of year	2,649	2,649	2,649	-
Fund balance at end of year	\$ 1,270	\$ 1,270	\$ 45,781	\$ 44,511

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2008

Nonmajor Enterprise Funds

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

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

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

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

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

Nonmajor Internal Service Funds

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

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

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

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets

Nonmajor Enterprise Funds

June 30, 2008

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 29,997	\$ 12,062	\$ 3,863	\$ 1,426	\$ 47,348
Materials and supplies inventories	5,538	-	-	-	5,538
Inventory held for resale	<u>12,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,662</u>
Total current assets	48,197	12,062	3,863	1,426	65,548
Non-current assets:					
Capital assets, net of depreciation	<u>89,953</u>	<u>-</u>	<u>-</u>	<u>578,135</u>	<u>668,088</u>
Total assets	<u>138,150</u>	<u>12,062</u>	<u>3,863</u>	<u>579,561</u>	<u>733,636</u>
Liabilities:					
Current liabilities:					
Accounts payable	27,613	-	-	-	27,613
Accrued wages and benefits	1,274	-	-	3,301	4,575
Interfund payable	1,083,168	19,441	-	71,688	1,174,297
Intergovernmental payable	87,752	-	-	49,689	137,441
Current portion of accrued compensated absences	<u>2,252</u>	<u>-</u>	<u>-</u>	<u>2,798</u>	<u>5,050</u>
Total current liabilities	1,202,059	19,441	-	127,476	1,348,976
Non-current liabilities:					
Accrued compensated absences	<u>29,922</u>	<u>-</u>	<u>-</u>	<u>37,177</u>	<u>67,099</u>
Total liabilities	<u>1,231,981</u>	<u>19,441</u>	<u>-</u>	<u>164,653</u>	<u>1,416,075</u>
Net assets:					
Invested in capital assets, net of related debt	89,953	-	-	578,135	668,088
Unrestricted (deficit)	<u>(1,183,784)</u>	<u>(7,379)</u>	<u>3,863</u>	<u>(163,227)</u>	<u>(1,350,527)</u>
Total net assets (deficit)	\$ <u>(1,093,831)</u>	\$ <u>(7,379)</u>	\$ <u>3,863</u>	\$ <u>414,908</u>	\$ <u>(682,439)</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, 2008

	Food Services	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ -	\$ 606,389	\$ 606,389
Classroom materials and fees	-	44,734	-	-	44,734
Food services	584,762	-	-	-	584,762
Miscellaneous	-	21,252	2,240	-	23,492
Total operating revenues	<u>584,762</u>	<u>65,986</u>	<u>2,240</u>	<u>606,389</u>	<u>1,259,377</u>
Operating expenses:					
Salaries and wages	762,374	-	-	438,893	1,201,267
Fringe benefits	377,326	-	-	135,551	512,877
Purchased services	1,307,015	1,135	13,741	9,785	1,331,676
Supplies and materials	136,993	91,670	2,070	18,288	249,021
Depreciation	15,624	-	-	14,412	30,036
Total operating expenses	<u>2,599,332</u>	<u>92,805</u>	<u>15,811</u>	<u>616,929</u>	<u>3,324,877</u>
Operating loss	<u>(2,014,570)</u>	<u>(26,819)</u>	<u>(13,571)</u>	<u>(10,540)</u>	<u>(2,065,500)</u>
Non-operating revenues:					
Federal donated commodities	125,953	-	-	-	125,953
Intergovernmental grants	1,458,774	-	-	-	1,458,774
Total non-operating revenues	<u>1,584,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,584,727</u>
Loss before transfers	(429,843)	(26,819)	(13,571)	(10,540)	(480,773)
Transfers - in	<u>144,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,976</u>
Net loss	(284,867)	(26,819)	(13,571)	(10,540)	(335,797)
Net assets (deficit) at beginning of year					
	<u>(808,964)</u>	<u>19,440</u>	<u>17,434</u>	<u>425,448</u>	<u>(346,642)</u>
Net assets (deficit) at end of year	\$ <u>(1,093,831)</u>	\$ <u>(7,379)</u>	\$ <u>3,863</u>	\$ <u>414,908</u>	\$ <u>(682,439)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2008

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Decrease in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 775,523	\$ 44,734	\$ -	\$ 609,414	\$ 1,429,671
Cash received from other operating sources	-	21,252	2,240	-	23,492
Cash payments for materials and supplies	(11,368)	(91,670)	(2,070)	(18,288)	(123,396)
Cash payments for goods and services	(1,279,402)	(1,135)	(13,741)	(9,785)	(1,304,063)
Cash payments to employees for services	(766,021)	-	-	(450,781)	(1,216,802)
Cash payments for employee benefits	(376,182)	-	-	(164,969)	(541,151)
Net cash used for operating activities	<u>(1,657,450)</u>	<u>(26,819)</u>	<u>(13,571)</u>	<u>(34,409)</u>	<u>(1,732,249)</u>
Cash flows from noncapital financing activities:					
Intergovernmental grants received	1,458,774	-	-	-	1,458,774
Transfers - in	144,976	-	-	-	144,976
Advances - in	-	19,441	-	71,688	91,129
Advances - out	-	-	-	(96,480)	(96,480)
Net cash provided by (used for) noncapital financing	<u>1,603,750</u>	<u>19,441</u>	<u>-</u>	<u>(24,792)</u>	<u>1,598,399</u>
Net decrease in cash and cash equivalents	(53,700)	(7,378)	(13,571)	(59,201)	(133,850)
Cash and cash equivalents at beginning of year	<u>83,697</u>	<u>19,440</u>	<u>17,434</u>	<u>60,627</u>	<u>181,198</u>
Cash and cash equivalents at end of year	\$ <u>29,997</u>	\$ <u>12,062</u>	\$ <u>3,863</u>	\$ <u>1,426</u>	\$ <u>47,348</u>
Non-cash noncapital financing activities:					
Federal donated commodities	\$ <u>125,953</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>125,953</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, 2008

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating loss to net cash used for operating activities:					
Operating loss	\$ (2,014,570)	\$ (26,819)	\$ (13,571)	\$ (10,540)	\$ (2,065,500)
Adjustments:					
Depreciation	15,624	-	-	14,412	30,036
Federal donated commodities	125,953	-	-	-	125,953
Changes in assets/liabilities:					
Decrease in accounts receivable	-	-	-	3,025	3,025
Decrease in intergovernmental receivable	190,761	-	-	-	190,761
Decrease in materials and supplies inventories	934	-	-	-	934
Increase in inventory held for resale	(1,262)	-	-	-	(1,262)
Increase in accounts payable	27,613	-	-	-	27,613
Decrease in accrued wages and benefits	(33,647)	-	-	(23,888)	(57,535)
Increase (decrease) in intergovernmental payable	33,906	-	-	(25,038)	8,868
Increase (decrease) in accrued compensated absences	<u>(2,762)</u>	<u>-</u>	<u>-</u>	<u>7,620</u>	<u>4,858</u>
Total adjustments	<u>357,120</u>	<u>-</u>	<u>-</u>	<u>(23,869)</u>	<u>333,251</u>
Net cash used for operating activities	\$ <u><u>(1,657,450)</u></u>	\$ <u><u>(26,819)</u></u>	\$ <u><u>(13,571)</u></u>	\$ <u><u>(34,409)</u></u>	\$ <u><u>(1,732,249)</u></u>

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets Nonmajor Internal Service Funds

June 30, 2008

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 2,577,228	\$ 1,397,831	\$ 3,975,059
Prepaid items	<u>206,448</u>	<u>-</u>	<u>206,448</u>
Total assets	<u>2,783,676</u>	<u>1,397,831</u>	<u>4,181,507</u>
Liabilities:			
Current liabilities:			
Accounts payable	17,500	-	17,500
Intergovernmental payable	-	1,039,729	1,039,729
Claims payable	<u>1,780,200</u>	<u>-</u>	<u>1,780,200</u>
Total liabilities	<u>1,797,700</u>	<u>1,039,729</u>	<u>2,837,429</u>
Net assets:			
Unrestricted	\$ <u>985,976</u>	\$ <u>358,102</u>	\$ <u>1,344,078</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, 2008

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ -	\$ 1,023,632	\$ 1,023,632
Claims	<u>20,415,017</u>	<u>-</u>	<u>20,415,017</u>
Total operating revenues	<u>20,415,017</u>	<u>1,023,632</u>	<u>21,438,649</u>
Operating expenses:			
Salaries and wages	17,720	-	17,720
Fringe benefits	20,215,630	960,680	21,176,310
Purchased services	<u>282,327</u>	<u>24,491</u>	<u>306,818</u>
Total operating expenses	<u>20,515,677</u>	<u>985,171</u>	<u>21,500,848</u>
Operating income (loss)	(100,660)	38,461	(62,199)
Net assets at beginning of year	<u>1,086,636</u>	<u>319,641</u>	<u>1,406,277</u>
Net assets at end of year	\$ <u>985,976</u>	\$ <u>358,102</u>	\$ <u>1,344,078</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Internal Service Funds

For the Fiscal Year Ended June 30, 2008

	<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	\$ 20,415,017	\$ -	\$ 20,415,017
Cash received from claims	-	1,023,632	1,023,632
Cash payments for goods and services	(10,722,192)	(24,491)	(10,746,683)
Cash payments to employees for services	(18,632)	-	(18,632)
Cash payments for claims	<u>(9,666,326)</u>	<u>(436,967)</u>	<u>(10,103,293)</u>
Net cash provided by operating activities	<u>7,867</u>	<u>562,174</u>	<u>570,041</u>
Net increase in cash and cash equivalents	7,867	562,174	570,041
Cash and cash equivalents at beginning of year	<u>2,569,361</u>	<u>835,657</u>	<u>3,405,018</u>
Cash and cash equivalents at end of year	\$ <u>2,577,228</u>	\$ <u>1,397,831</u>	\$ <u>3,975,059</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (100,660)	\$ 38,461	\$ (62,199)
Adjustments:			
Changes in assets/liabilities:			
Decrease in prepaid items	1,757	-	1,757
Increase in accounts payable	17,500	-	17,500
Decrease in accrued wages and benefits	(912)	-	(912)
(Decrease) increase in intergovernmental payable	(2,618)	523,713	521,095
Increase in claims payable	<u>92,800</u>	<u>-</u>	<u>92,800</u>
Total adjustments	<u>108,527</u>	<u>523,713</u>	<u>632,240</u>
Net cash provided by operating activities	\$ <u>7,867</u>	\$ <u>562,174</u>	\$ <u>570,041</u>

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



Top Left:

ADRIAN BERR

Grade 7, Wiley Professional Development School

Top Right:

SHELBY COOPER

Grade 4, Gearity Professional Development School

Bottom Left:

NICOLE COLLINS

Grade 7, Wiley Professional Development School

Cleveland Heights-University Heights City School District

Bellefaire General Rotary Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 3,000,000	\$ 3,000,000	\$ 2,935,169	\$ (64,831)
Expenses:				
Salaries and wages:				
Regular instruction	165,800	165,800	147,050	18,750
Special instruction	1,186,546	1,141,546	1,131,862	9,684
Support services - pupil	254,640	254,640	254,640	-
Support services - administration	225,798	225,798	225,798	-
Total salaries and wages	<u>1,832,784</u>	<u>1,787,784</u>	<u>1,759,350</u>	<u>28,434</u>
Fringe benefits:				
Regular instruction	56,784	56,784	44,100	12,684
Special instruction	489,783	489,783	422,622	67,161
Support services - pupil	86,641	86,641	80,952	5,689
Support services - administration	103,537	103,537	93,998	9,539
Total fringe benefits	<u>736,745</u>	<u>736,745</u>	<u>641,672</u>	<u>95,073</u>
Purchased services:				
Special instruction	94,648	554,251	554,251	-
Support services - instruction	267	267	-	267
Total purchased services	<u>94,915</u>	<u>554,518</u>	<u>554,251</u>	<u>267</u>
Supplies and materials:				
Special instruction	1,029	44,713	41,410	3,303
Support services - pupil	109	409	-	409
Total supplies and materials	<u>1,138</u>	<u>45,122</u>	<u>41,410</u>	<u>3,712</u>
Capital outlay:				
Special instruction	1,252	10,368	10,306	62
Total expenses	<u>2,666,834</u>	<u>3,134,537</u>	<u>3,006,989</u>	<u>127,548</u>
Net change in fund equity	333,166	(134,537)	(71,820)	62,717
Fund equity at beginning of year	47,839	47,839	47,839	-
Prior year encumbrances appropriated	87,081	87,081	87,081	-
Fund equity at end of year	\$ <u>468,086</u>	\$ <u>383</u>	\$ <u>63,100</u>	\$ <u>62,717</u>

Cleveland Heights-University Heights City School District

Food Services Fund

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

For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 694,000	\$ 694,000	\$ 584,762	\$ (109,238)
Intergovernmental	1,560,000	1,560,000	1,649,535	89,535
Total revenues	<u>2,254,000</u>	<u>2,254,000</u>	<u>2,234,297</u>	<u>(19,703)</u>
Expenses:				
Food service operations:				
Salaries and wages	766,021	766,021	766,021	-
Fringe benefits	411,295	411,295	376,182	35,113
Purchased services	2,573	1,279,402	1,279,402	-
Supplies and materials	<u>1,047,333</u>	<u>11,966</u>	<u>11,368</u>	<u>598</u>
Total expenses	<u>2,227,222</u>	<u>2,468,684</u>	<u>2,432,973</u>	<u>35,711</u>
Excess of revenues over (under) expenses	26,778	(214,684)	(198,676)	16,008
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>144,976</u>	<u>144,976</u>	<u>-</u>
Net change in fund equity	26,778	(69,708)	(53,700)	16,008
Fund equity at beginning of year	33,792	33,792	33,792	-
Prior year encumbrances appropriated	<u>49,905</u>	<u>49,905</u>	<u>49,905</u>	<u>-</u>
Fund equity at end of year	\$ <u>110,475</u>	\$ <u>13,989</u>	\$ <u>29,997</u>	\$ <u>16,008</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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 50,000	\$ 61,041	\$ 44,734	\$ (16,307)
Miscellaneous	-	32,520	21,252	(11,268)
Total revenues	<u>50,000</u>	<u>93,561</u>	<u>65,986</u>	<u>(27,575)</u>
Expenses:				
Supplies and materials:				
Regular instruction	58,638	83,954	83,954	-
Other non-instructional services	<u>1,881</u>	<u>19,778</u>	<u>19,778</u>	<u>-</u>
Total supplies and materials	60,519	103,732	103,732	-
Purchased services:				
Other non-instructional services	<u>7,079</u>	<u>5,701</u>	<u>1,135</u>	<u>4,566</u>
Total expenses	<u>67,598</u>	<u>109,433</u>	<u>104,867</u>	<u>4,566</u>
Excess of revenues over (under) expenses	(17,598)	(15,872)	(38,881)	(23,009)
Other financing sources (uses):				
Advances - in	<u>-</u>	<u>19,441</u>	<u>19,441</u>	<u>-</u>
Net change in fund equity	(17,598)	3,569	(19,440)	(23,009)
Fund equity at beginning of year	9,343	9,343	9,343	-
Prior year encumbrances appropriated	<u>10,097</u>	<u>10,097</u>	<u>10,097</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>1,842</u></u>	\$ <u><u>23,009</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(23,009)</u></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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 2,240	\$ 2,240	\$ -
Expenses:				
Purchased services:				
Special instruction	-	170	-	170
Support services - administration	3,000	16,492	14,741	1,751
Total purchased services	3,000	16,662	14,741	1,921
Supplies and materials:				
Special instruction	-	2,070	2,070	-
Total expenses	3,000	18,732	16,811	1,921
Net change in fund equity	(3,000)	(16,492)	(14,571)	1,921
Fund equity at beginning of year	14,434	14,434	14,434	-
Prior year encumbrances appropriated	3,000	3,000	3,000	-
Fund equity at end of year	\$ 14,434	\$ 942	\$ 2,863	\$ 1,921

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 725,000	\$ 656,350	\$ 609,414	\$ (46,936)
Expenses:				
Community services:				
Salaries and wages	414,438	457,900	450,781	7,119
Fringe benefits	175,194	191,000	164,969	26,031
Purchased services	2,654	14,663	10,741	3,922
Supplies and materials	3,278	27,849	18,758	9,091
Total expenses	595,564	691,412	645,249	46,163
Excess of revenues over (under) expenses	129,436	(35,062)	(35,835)	(773)
Other financing sources (uses):				
Advances - in	-	71,688	71,688	-
Advances - out	-	(96,480)	(96,480)	-
Total other financing sources (uses)	-	(24,792)	(24,792)	-
Net change in fund equity	129,436	(59,854)	(60,627)	(773)
Fund equity at beginning of year	54,695	54,695	54,695	-
Prior year encumbrances appropriated	5,932	5,932	5,932	-
Fund equity at end of year	\$ 190,063	\$ 773	\$ -	\$ (773)

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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 21,165,000	\$ 21,165,000	\$ 20,415,017	\$ (749,983)
Expenses:				
Salaries and wages:				
Support services - central	-	19,000	18,632	368
Fringe benefits:				
Support services - central	12,464,773	12,450,808	11,536,675	914,133
Foundation settlement retiree	8,587,836	8,587,836	8,587,836	-
Total fringe benefits	21,052,609	21,038,644	20,124,511	914,133
Purchases services:				
Support services - central	5,237	283,202	283,202	-
Total expenses	21,057,846	21,340,846	20,426,345	914,501
Net change in fund equity	107,154	(175,846)	(11,328)	164,518
Fund equity at beginning of year	2,561,514	2,561,514	2,561,514	-
Prior year encumbrances appropriated	7,846	7,846	7,846	-
Fund equity at end of year	\$ 2,676,514	\$ 2,393,514	\$ 2,558,032	\$ 164,518

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 30,2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ <u>1,050,000</u>	\$ <u>1,050,000</u>	\$ <u>1,023,632</u>	\$ <u>(26,368)</u>
Expenses:				
Fringe benefits:				
Support services - central	1,026,000	1,026,000	436,967	589,033
Purchased services:				
Support services - central	<u>24,763</u>	<u>24,763</u>	<u>24,491</u>	<u>272</u>
Total expenses	<u>1,050,763</u>	<u>1,050,763</u>	<u>461,458</u>	<u>589,305</u>
Net change in fund equity	(763)	(763)	562,174	562,937
Fund equity at beginning of year	834,894	834,894	834,894	-
Prior year encumbrances appropriated	<u>763</u>	<u>763</u>	<u>763</u>	-
Fund equity at end of year	\$ <u><u>834,894</u></u>	\$ <u><u>834,894</u></u>	\$ <u><u>1,397,831</u></u>	\$ <u><u>562,937</u></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, 2008

	<u>Balance</u> <u>06/30/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/08</u>
Student activities:				
Assets:				
Equity in pooled cash and investments	\$ <u>82,696</u>	\$ <u>103,209</u>	\$ <u>132,411</u>	\$ <u>53,494</u>
Liabilities:				
Due to students	\$ <u>82,696</u>	\$ <u>103,209</u>	\$ <u>132,411</u>	\$ <u>53,494</u>



ELIZABETH DICUS
Grade 2, Noble Elementary

MASON SPENCER
Grade 6, Roxboro Middle



AMELIA WILLIAMS
Grade 6, Roxboro Middle



OLIVIA SORMAZ
Grade 2, Fairfax Elementary

STATISTICAL

Section



EMMA ZORDAN

Grade 4, Canterbury Elementary



DEJA WHITE

Grade 5, Canterbury Elementary

ZACHARY HOOVER

Grade 3, Canterbury Elementary

SAVANA FREEMAN

Grade 1, Canterbury Elementary



Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2008

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

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

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

Cleveland Heights-University Heights City School District

Net Assets by Component

Last Six Fiscal Years

Table 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:						
Invested in capital assets, net of related debt	\$ 12,716,152	\$ 20,600,881	\$ 23,498,247	\$ 22,141,251	\$ 26,323,176	\$ 27,570,443
Restricted for:						
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036	1,927,491
Debt service	-	-	-	574,741	581,198	617,346
Other purposes	760,578	1,782,304	867,606	285,016	4,423	54,665
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805	3,247,269	3,424,494
Unrestricted	<u>13,017,617</u>	<u>11,739,480</u>	<u>22,834,399</u>	<u>50,813,197</u>	<u>50,779,010</u>	<u>58,669,637</u>
Total net assets - governmental activities	<u>32,610,915</u>	<u>38,667,255</u>	<u>54,086,934</u>	<u>79,802,183</u>	<u>82,362,112</u>	<u>92,264,076</u>
Business - type activities:						
Invested in capital assets, net of related debt	661,924	821,275	787,690	754,143	721,008	687,993
Unrestricted (deficit)	<u>(869,152)</u>	<u>(832,913)</u>	<u>(969,636)</u>	<u>(1,194,310)</u>	<u>(2,320,676)</u>	<u>(4,039,596)</u>
Total net assets - business - type activities	<u>(207,228)</u>	<u>(11,638)</u>	<u>(181,946)</u>	<u>(440,167)</u>	<u>(1,599,668)</u>	<u>(3,351,603)</u>
Primary government:						
Invested in capital assets, net of related debt	13,378,076	21,422,156	24,285,937	22,895,394	27,044,184	28,258,436
Restricted for:						
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036	1,927,491
Debt service	-	-	-	574,741	581,198	617,346
Other purposes	760,578	1,782,304	867,606	285,016	4,423	54,665
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805	3,247,269	3,424,494
Unrestricted	<u>12,148,465</u>	<u>10,906,567</u>	<u>21,864,763</u>	<u>49,618,887</u>	<u>48,458,334</u>	<u>54,630,041</u>
Total net assets - primary government	\$ <u>32,403,687</u>	\$ <u>38,655,617</u>	\$ <u>53,904,988</u>	\$ <u>79,362,016</u>	\$ <u>80,762,444</u>	\$ <u>88,912,473</u>

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

Cleveland Heights-University Heights City School District

Changes in Net Assets

Last Six Fiscal Years

Table 2

	2003	2004	2005	2006	2007	2008
Expenses:						
Governmental activities:						
Regular instruction	\$ 34,958,355	\$ 36,417,770	\$ 37,821,356	\$ 35,341,336	\$ 35,895,404	\$ 36,794,327
Special instruction	7,570,304	7,890,280	8,555,472	8,573,448	9,844,902	9,531,722
Vocational instruction	1,839,843	1,774,417	1,761,548	1,662,594	1,701,696	1,738,386
Adult/continuing instruction	249,789	238,686	257,212	145,191	270,336	981,637
Other instruction	2,454,574	2,664,644	2,053,694	3,405,263	2,728,650	3,152,431
Pupil	7,951,089	9,177,483	9,482,769	9,436,509	9,342,399	8,713,755
Instructional staff	5,056,893	5,524,342	4,955,130	4,469,078	5,271,776	6,024,296
Board of education	491,748	579,903	620,020	530,377	484,231	545,385
Administration	5,514,641	5,999,231	6,178,788	6,167,949	6,281,020	7,041,253
Fiscal	1,964,999	1,554,698	1,990,102	2,019,423	2,177,550	2,077,340
Business	2,494,829	2,687,483	2,320,386	2,307,448	2,299,809	1,881,251
Operation and maintenance of plant	11,645,982	8,631,086	11,949,256	11,451,826	10,444,810	11,149,385
Pupil transportation	3,253,212	3,192,244	3,055,811	3,498,625	3,909,255	4,265,255
Central	2,976,889	2,641,862	2,767,128	2,976,522	2,874,077	2,825,873
Community services	2,381,565	1,835,912	2,038,093	1,920,647	2,467,145	2,065,415
Extracurricular activities	1,170,728	1,108,523	1,195,101	1,157,041	1,524,317	1,612,459
Capital outlay	122,904	-	-	-	-	-
Interest and fiscal charges	610,196	732,788	589,770	570,050	673,878	713,571
Total governmental activities expenses	<u>92,708,540</u>	<u>92,651,352</u>	<u>97,591,636</u>	<u>95,633,327</u>	<u>98,191,255</u>	<u>101,113,741</u>
Business - type activities:						
Food services	2,539,369	2,410,538	2,275,179	2,112,230	2,248,241	2,599,332
Uniform school supplies	40,248	70,813	86,629	75,620	65,933	92,805
Customer services	47,037	33,077	19,536	9,112	12,347	15,811
Community services/early childhood	1,286,944	1,465,300	791,388	821,651	739,277	616,929
Bellefaire general rotary	2,953,518	2,911,252	2,615,327	2,827,708	2,892,502	2,954,725
Total business - type activities expenses	<u>6,867,116</u>	<u>6,890,980</u>	<u>5,788,059</u>	<u>5,846,321</u>	<u>5,958,300</u>	<u>6,279,602</u>
Total primary government expenses	<u>99,575,656</u>	<u>99,542,332</u>	<u>103,379,695</u>	<u>101,479,648</u>	<u>104,149,555</u>	<u>107,393,343</u>

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Six Fiscal Years

Table 2

	2003	2004	2005	2006	2007	2008
Program revenues:						
Governmental activities:						
Charges for services:						
Regular instruction	2,162,966	3,079,957	984,055	526,747	263,099	293,408
Special instruction	-	-	-	3,595,546	3,252,614	2,376,298
Vocational instruction	-	-	63,695	136,066	6,482	11,122
Adult/continuing instruction	-	-	-	6,825	9,397	5,465
Other instruction	566,797	31,532	-	-	-	-
Pupil	21,220	-	421	-	-	-
Administration	-	-	17,506	62,689	10,847	10,075
Pupil transportation	-	87,728	51,315	93,487	75,075	138,450
Community services	-	1,763,998	2,312,716	-	-	-
Extracurricular activities	116,855	418,013	357,465	44,292	92,616	100,420
Operating grants and contributions:						
Regular instruction	3,150,954	3,483,264	3,050,460	2,420,203	4,843,017	4,001,706
Special instruction	1,853,403	4,799,905	5,515,582	1,801,912	1,698,848	1,810,241
Vocational instruction	238,846	15,476	2,860,034	247,590	276,976	265,483
Adult/continuing instruction	508,232	-	-	-	290,714	245,318
Other instruction	-	-	2,264	-	-	-
Pupil	655,546	32,558	162,357	-	249,832	173,942
Instructional staff	142,883	569,528	-	-	3,300	12,970
Administration	55,280	-	-	-	21,633	-
Operation and maintenance of plant	45,500	-	-	77,993	29,821	-
Pupil transportation	186,892	30,090	-	-	-	-
Central	26,220	-	21,752	64,400	42,000	-
Community services	1,962,989	10,313	1,817,509	1,883,275	1,932,606	1,962,731
Capital grants and contributions:						
Regular instruction	-	48,750	48,750	-	-	-
Pupil	-	-	-	-	-	43,132
Operation and maintenance of plant	-	-	-	30,000	46,513	19,577
Pupil transportation	56,288	8,181	-	-	-	42,000
Total governmental activities program revenues	<u>11,750,871</u>	<u>14,379,293</u>	<u>17,265,881</u>	<u>10,991,025</u>	<u>13,145,390</u>	<u>11,512,338</u>

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Six Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business - type activities:						
Charges for services:						
Food services	998,818	1,127,693	545,521	732,621	650,639	584,762
Uniform school supplies	43,492	77,652	73,630	73,253	60,424	65,986
Customer services	23,305	18,245	20,032	35,038	3,359	2,240
Community services/early childhood	1,481,117	1,181,284	890,313	784,388	617,183	606,389
Bellefaire	1,741,370	2,592,146	1,776,450	1,861,111	2,007,314	1,538,587
Operating grants and contributions:						
Food services	1,245,716	1,017,510	2,311,805	2,104,689	1,457,295	1,584,727
Bellefaire general rotary	663,565	804,585	-	-	-	-
Total business - type activities program revenues	<u>6,197,383</u>	<u>6,819,115</u>	<u>5,617,751</u>	<u>5,591,100</u>	<u>4,796,214</u>	<u>4,382,691</u>
Total primary government program revenues	<u>17,948,254</u>	<u>21,198,408</u>	<u>22,883,632</u>	<u>16,582,125</u>	<u>17,941,604</u>	<u>15,895,029</u>
Net expense:						
Governmental activities	(80,957,669)	(78,272,059)	(80,325,755)	(84,642,302)	(85,045,865)	(89,601,403)
Business - type activities	<u>(669,733)</u>	<u>(71,865)</u>	<u>(170,308)</u>	<u>(255,221)</u>	<u>(1,162,086)</u>	<u>(1,896,911)</u>
Total primary government net expense	<u>(81,627,402)</u>	<u>(78,343,924)</u>	<u>(80,496,063)</u>	<u>(84,897,523)</u>	<u>(86,207,951)</u>	<u>(91,498,314)</u>
General revenues and other changes in net assets:						
Governmental activities:						
Property taxes levied for:						
General purpose	50,466,423	56,364,919	60,310,034	76,288,318	57,086,358	66,578,842
Debt service	501,821	894,502	929,117	535,005	741,683	648,181
Capital projects	2,692,133	4,929,571	3,069,014	4,455,425	3,131,163	3,235,694
Payments in lieu of property taxes	-	-	-	-	-	178,090
Grants and entitlements not restricted to specific programs	16,603,073	21,819,121	30,581,825	26,687,865	23,469,550	25,907,434
Investment earnings	260,631	587,741	462,659	1,432,840	2,322,959	1,900,552
Miscellaneous	-	-	392,785	955,098	856,666	1,199,550
Transfers	<u>(545,509)</u>	<u>(267,455)</u>	<u>-</u>	<u>3,000</u>	<u>(2,585)</u>	<u>(144,976)</u>
Total governmental activities	<u>69,978,572</u>	<u>84,328,399</u>	<u>95,745,434</u>	<u>110,357,551</u>	<u>87,605,794</u>	<u>99,503,367</u>

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Six Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business - type activities:						
Transfers	<u>545,509</u>	<u>267,455</u>	<u>-</u>	<u>(3,000)</u>	<u>2,585</u>	<u>144,976</u>
Total primary government general revenues and other changes in net assets	<u>19,340,544</u>	<u>84,595,854</u>	<u>95,745,434</u>	<u>110,354,551</u>	<u>87,608,379</u>	<u>99,648,343</u>
Change in net assets:						
Governmental activities	<u>(10,979,097)</u>	<u>6,056,340</u>	<u>15,419,679</u>	<u>25,715,249</u>	<u>2,559,929</u>	<u>9,901,964</u>
Business - type activities	<u>(124,224)</u>	<u>195,590</u>	<u>(170,308)</u>	<u>(258,221)</u>	<u>(1,159,501)</u>	<u>(1,751,935)</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>	<u>\$ 1,400,428</u>	<u>\$ 8,150,029</u>

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

Cleveland Heights-University Heights City School District

Program Revenues by Function/Program

Last Six Fiscal Years

Table 3

	2003	2004	2005	2006	2007	2008
Governmental activities:						
Regular instruction	\$ 5,313,920	\$ 6,611,971	\$ 4,083,265	\$ 2,946,950	\$ 5,106,116	\$ 4,295,114
Special instruction	1,853,403	4,799,905	5,515,582	5,397,458	4,951,462	4,186,539
Vocational instruction	238,846	15,476	2,923,729	383,656	283,458	276,605
Adult/continuing instruction	508,232	-	-	6,825	300,111	250,783
Other instruction	566,797	31,532	2,264	-	-	-
Pupil	676,766	32,558	162,778	-	249,832	217,074
Instructional staff	142,883	569,528	-	-	3,300	12,970
Administration	55,280	-	17,506	62,689	32,480	10,075
Operation and maintenance of plant	45,500	-	-	107,993	76,334	19,577
Pupil transportation	243,180	125,999	51,315	93,487	75,075	138,450
Central	26,220	-	21,752	64,400	42,000	42,000
Community services	1,962,989	1,774,311	4,130,225	1,883,275	1,932,606	1,962,731
Extracurricular activities	<u>116,855</u>	<u>418,013</u>	<u>357,465</u>	<u>44,292</u>	<u>92,616</u>	<u>100,420</u>
Total governmental activities	<u>11,750,871</u>	<u>14,379,293</u>	<u>17,265,881</u>	<u>10,991,025</u>	<u>13,145,390</u>	<u>11,512,338</u>
Business - type activities:						
Food services	2,244,534	2,145,203	2,857,326	2,837,310	2,107,934	2,169,489
Uniform school supplies	43,492	77,652	73,630	73,253	60,424	65,986
Customer services	23,305	18,245	20,032	35,038	3,359	2,240
Community services/early childhood	1,481,117	1,181,284	890,313	784,388	617,183	606,389
Bellefaire general rotary	<u>2,404,935</u>	<u>3,396,731</u>	<u>1,776,450</u>	<u>1,861,111</u>	<u>2,007,314</u>	<u>1,538,587</u>
Total business - type activities	<u>6,197,383</u>	<u>6,819,115</u>	<u>5,617,751</u>	<u>5,591,100</u>	<u>4,796,214</u>	<u>4,382,691</u>
Total primary government program revenues	<u>\$ 17,948,254</u>	<u>\$ 21,198,408</u>	<u>\$ 22,883,632</u>	<u>\$ 16,582,125</u>	<u>\$ 17,941,604</u>	<u>\$ 15,895,029</u>

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

Cleveland Heights-University Heights City School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

Table 4

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund:										
Reserved	\$ 9,787,520	\$ 5,236,993	\$ 7,761,780	\$ 15,486,334	\$ 8,159,310	\$ 14,015,916	\$ 17,421,642	\$ 31,484,977	\$ 28,287,616	\$ 33,065,009
Unreserved	<u>10,262,005</u>	<u>8,214,162</u>	<u>7,475,436</u>	<u>15,171,373</u>	<u>10,062,100</u>	<u>1,924,082</u>	<u>13,612,213</u>	<u>21,350,110</u>	<u>27,784,974</u>	<u>31,865,555</u>
Total general fund	<u>20,049,525</u>	<u>13,451,155</u>	<u>15,237,216</u>	<u>30,657,707</u>	<u>18,221,410</u>	<u>15,939,998</u>	<u>31,033,855</u>	<u>52,835,087</u>	<u>56,072,590</u>	<u>64,930,564</u>
All other governmental funds:										
Reserved	1,533,585	1,727,115	1,831,392	2,231,698	4,927,249	9,767,446	7,642,807	4,704,397	2,959,452	2,968,533
Unreserved, undesignated										
Reported in:										
Special revenue funds	1,267,622	1,452,435	1,050,612	1,075,052	953,319	217,477	1,179,271	648,244	(719,527)	(144,420)
Debt service funds	11,006	11,006	11,006	(182,807)	81,071	98,444	211,488	-	-	-
Capital projects funds	<u>2,612,553</u>	<u>577,278</u>	<u>766,430</u>	<u>(176,962)</u>	<u>1,173,189</u>	<u>1,433,228</u>	<u>265,668</u>	<u>2,415,169</u>	<u>2,957,383</u>	<u>3,430,357</u>
Total all other governmental funds	<u>5,424,766</u>	<u>3,767,834</u>	<u>3,659,440</u>	<u>2,946,981</u>	<u>7,134,828</u>	<u>11,516,595</u>	<u>9,297,234</u>	<u>7,767,810</u>	<u>5,197,308</u>	<u>6,254,470</u>
Total governmental funds	\$ <u>25,474,291</u>	\$ <u>17,218,989</u>	\$ <u>18,896,656</u>	\$ <u>33,604,688</u>	\$ <u>25,356,238</u>	\$ <u>27,456,593</u>	\$ <u>40,331,089</u>	\$ <u>60,602,897</u>	\$ <u>61,269,898</u>	\$ <u>71,185,034</u>

Source: School District financial records.

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

Table 5

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Taxes	\$ 49,473,648	\$ 40,916,548	\$ 50,765,634	\$ 62,143,581	\$ 46,308,999	\$ 60,162,590	\$ 65,125,482	\$ 80,068,149	\$ 62,525,139	\$ 70,309,309
Payments in lieu of property taxes	-	-	-	-	-	-	-	-	-	85,089
Intergovernmental	28,389,022	27,483,801	27,421,461	31,643,744	33,868,366	33,979,643	40,330,849	35,994,845	35,909,507	37,665,113
Tuition and fees	5,948,629	1,553,244	899,953	287,421	589,353	666,018	3,000,244	563,807	1,691,244	718,184
Transportation fees	-	46,063	95,538	61,297	56,288	76,823	51,315	-	-	-
Earnings on investments	1,758,784	1,027,407	1,320,577	828,171	254,688	169,792	462,659	1,432,840	2,322,959	1,900,552
Extracurricular activities	955,618	365,223	448,766	370,346	347,415	276,992	357,465	187,545	221,068	225,465
Classroom materials and fees	-	271,746	74,081	61,389	65,752	47,994	24,334	21,612	31,683	26,783
Food services	-	92	-	1,831	-	-	-	-	-	-
Rentals	44,209	-	-	-	-	-	-	-	-	-
Miscellaneous	1,211,276	687,538	651,190	5,868,314	1,273,296	634,344	1,864,071	1,522,733	1,078,839	1,840,138
Total revenues	87,781,186	72,351,662	81,677,200	101,266,094	82,764,157	96,014,196	111,216,419	119,791,531	103,780,439	112,770,633
Expenditures:										
Current:										
Instruction:										
Regular	31,566,108	30,388,816	31,830,566	32,721,891	34,583,645	33,868,601	34,236,479	34,573,204	36,216,029	36,489,302
Special	7,345,509	5,939,722	6,353,542	6,843,267	7,558,962	7,718,576	8,465,988	8,604,906	9,727,158	9,575,382
Vocational	1,659,759	1,633,653	1,623,723	1,679,674	1,828,643	1,695,105	1,717,241	1,670,809	1,681,895	1,718,541
Adult/continuing	160,850	202,811	219,804	243,714	249,789	258,416	256,099	147,662	263,554	1,019,433
Other instruction	-	1,702,550	1,933,701	1,217,427	2,454,574	2,675,944	2,053,694	3,404,613	2,728,650	3,152,431
Support services:										
Pupil	6,174,489	6,857,623	7,300,157	7,205,878	7,951,441	8,910,162	9,398,698	9,460,564	9,397,066	8,718,866
Instructional staff	4,276,090	4,009,890	3,676,704	4,179,534	4,835,159	5,385,171	4,786,153	4,416,605	5,175,284	5,992,632
Board of education	288,511	763,661	621,463	245,198	491,748	543,274	620,020	530,377	484,231	545,385
Administration	5,115,042	4,917,757	4,669,781	5,573,613	5,524,040	5,848,938	6,001,439	6,124,940	6,245,179	7,091,960
Fiscal	1,451,557	1,738,279	1,809,818	2,029,914	1,956,620	1,532,415	1,982,278	2,050,644	2,186,609	2,076,801
Business	1,206,753	1,457,801	1,490,288	2,713,106	4,087,808	5,139,737	2,293,991	2,300,101	2,271,198	2,249,394
Operation and maintenance of plant	8,250,470	11,705,803	9,145,902	11,578,679	14,280,666	16,007,194	16,773,828	11,076,485	10,230,156	10,331,539
Pupil transportation	2,162,846	2,266,660	2,425,998	2,728,538	3,194,204	3,229,414	2,872,764	3,347,240	3,753,311	4,080,869
Central	2,124,117	2,503,827	2,775,439	3,004,062	2,942,986	2,594,369	2,726,067	2,982,146	2,861,101	2,926,115
Operations of non-instructional services:										
Food service	-	927	1,853	103	976	24	-	-	-	-
Community services	3,117,020	2,024,777	1,962,607	2,097,167	2,279,893	1,755,029	2,026,440	1,828,088	2,359,941	1,965,639
Other	-	79,469	70,196	78,040	100,920	50,795	-	94,520	96,664	105,715
Extracurricular activities	974,566	910,198	982,550	1,349,898	1,154,995	1,077,510	1,202,092	1,131,599	1,526,574	1,518,699
Capital outlay	6,483,198	14,678	19,500	10,547	139,138	124,678	-	4,268,101	4,132,268	2,091,645
Debt service:										
Principal	381,166	462,264	1,040,000	1,352,191	1,409,915	1,274,239	910,000	930,000	1,097,667	1,147,357
Interest and fiscal charges	142,599	189,006	170,973	198,676	729,241	733,060	596,144	571,259	676,318	709,119
Total expenditures	82,880,650	79,770,172	80,124,565	87,051,117	97,755,363	100,422,651	98,919,415	99,513,863	103,110,853	103,506,824

Continued

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years

Table 5

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Excess of revenues over (under) expenditures	<u>4,900,536</u>	<u>(7,418,510)</u>	<u>1,552,635</u>	<u>14,214,977</u>	<u>(14,991,206)</u>	<u>(4,408,455)</u>	<u>12,297,004</u>	<u>20,277,668</u>	<u>669,586</u>	<u>9,263,809</u>
Other financing sources (uses):										
Issuance of bonds	-	-	-	-	5,800,000	-	-	-	-	-
Issuance of notes	1,600,000	-	-	-	-	-	-	-	-	-
Inception of capital leases	-	-	-	660,000	732,323	835,560	577,492	-	-	796,303
Proceeds from the sale of assets	1,306	132,843	45,588	-	-	-	-	-	-	-
Insurance proceeds	-	-	161,618	-	-	-	-	-	-	-
Qualified zone academy bonds	-	-	-	-	-	5,500,000	-	-	-	-
Other	-	-	(1,075)	-	5,942	-	-	-	-	-
Transfers-in	2,771,255	1,006,350	813,164	297,345	2,307,593	7,128,579	1,432,606	997,692	1,339,411	1,383,323
Refund of prior year expenditures	-	-	-	-	-	-	-	71,786	-	-
Transfers-out	(877,881)	(1,975,985)	(894,263)	(464,290)	(2,103,102)	(6,955,329)	(1,432,606)	(994,692)	(1,341,996)	(1,528,299)
Refund of prior year receipts	-	-	-	-	-	-	-	(80,646)	-	-
Total other financing sources (uses)	<u>3,494,680</u>	<u>(836,792)</u>	<u>125,032</u>	<u>493,055</u>	<u>6,742,756</u>	<u>6,508,810</u>	<u>577,492</u>	<u>(5,860)</u>	<u>(2,585)</u>	<u>651,327</u>
Net change in fund balances	\$ <u>8,395,216</u>	\$ <u>(8,255,302)</u>	\$ <u>1,677,667</u>	\$ <u>14,708,032</u>	\$ <u>(8,248,450)</u>	\$ <u>2,100,355</u>	\$ <u>12,874,496</u>	\$ <u>20,271,808</u>	\$ <u>667,001</u>	\$ <u>9,915,136</u>
Debt service as a percentage of noncapital expenditures	0.69%	0.82%	1.51%	1.79%	2.19%	1.98%	1.53%	1.51%	1.79%	1.83%

Source: School District financial records.

Cleveland Heights-University Heights City School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Table 6

Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Total Direct Tax Rate	Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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	\$ 111.00	35.0%
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	111.00	35.0
2001	926,462,620	2,647,036,057	30,906,950	35,121,534	34,917,354	139,669,415	992,286,924	2,821,827,006	120.40	35.0
2002	929,693,070	2,656,265,914	20,379,170	23,158,147	24,751,484	99,005,936	974,823,724	2,778,429,997	121.10	35.0
2003	937,234,820	2,677,813,771	31,701,920	36,024,909	25,539,854	111,042,843	994,476,594	2,824,881,523	121.10	35.0
2004	1,066,559,720	3,047,313,486	33,561,950	38,138,580	23,331,004	101,439,148	1,123,452,674	3,186,891,214	121.10	35.0
2005	1,135,565,940	3,244,474,114	30,356,400	34,495,909	22,495,796	97,807,809	1,188,418,136	3,376,777,832	129.50	35.0
2006	1,068,833,330	3,053,809,514	27,878,630	31,680,261	23,111,301	100,483,917	1,119,823,261	3,185,973,692	129.50	35.0
2007	1,218,353,600	3,481,010,286	17,706,520	20,121,046	11,791,553	94,332,424	1,247,851,673	3,595,463,756	129.60	34.7
2008	1,230,715,140	3,516,328,971	11,548,270	13,123,034	9,140,242	146,243,872	1,251,403,652	3,675,695,877	136.70	34.0

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

Estimated actual values are calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility is assessed at 88 percent of actual value.

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

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

Cleveland Heights-University Heights City School District

Principal Taxpayers – Real Estate Tax

Fiscal Year 2008 and Fiscal Year 2001

Table 7

<u>Name of Taxpayer</u>	<u>December 31, 2007(1)</u>	
	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Severance SPE Lease Co., LLC	\$ 15,923,180	1.29%
Inland Western University	14,671,900	1.19%
Kaiser Foundation Health	11,616,780	0.94%
The May Department Stores	8,552,780	0.69%
University Square	7,827,610	0.64%
Target Corp.	6,279,500	0.51%
Coral Cedar Center LLC	4,575,910	0.37%
ARC Cleveland Hts. LLC	3,415,590	0.28%
Severance SPE FEECO, LLC	3,218,680	0.26%
Concord Park I, II, & III	2,591,190	0.21%
Total	\$ <u>78,673,120</u>	<u>6.38%</u>

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

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2008 collection year.

(2) Assessed values are for the 2001 collection year. Information prior to 2001 was not available.

Cleveland Heights-University Heights City School District

Property Tax Rates – Direct and Overlapping Governments

Last Ten Years

Table 8

Tax Year	School Levy	County Levy	City Levy	Metro Parks Levy	Library Levy	Tri-C Levy	Cleveland Port Authority Levy	Total Levy	Debt Service Included in Total Levy			
									School	County	City	Total
1998/1999	\$111.00	\$ 13.75	\$ 14.80	\$ 1.55	\$ 4.00	\$ 0.00	\$ 0.00	\$145.10	\$ 3.80	\$ 0.72	\$ 6.80	\$ 11.32
1999/2010	111.00	13.75	14.80	1.55	4.00	0.00	0.00	145.10	3.80	0.85	6.80	11.45
2000/2001	120.40	14.65	14.10	1.55	5.90	0.00	0.00	156.60	3.80	0.79	6.10	10.69
2001/2002	121.10	14.65	14.00	1.55	5.90	0.00	0.00	157.20	3.80	0.86	6.00	10.66
2002/2003	121.10	14.65	14.10	1.55	5.90	0.00	0.00	157.30	3.80	0.91	6.10	10.81
2003/2004	121.10	13.52	14.00	1.55	5.90	2.80	0.13	159.00	3.80	0.91	6.00	10.71
2004/2005	129.50	13.52	13.10	1.85	5.90	2.80	0.13	166.80	3.80	0.61	6.48	10.89
2005/2006	129.50	13.52	13.00	1.85	5.90	2.80	0.13	166.70	3.80	0.71	6.48	10.99
2006/2007	129.60	13.42	13.00	1.85	5.90	2.80	0.13	166.70	3.80	0.74	6.48	11.02
2007/2008	136.70	13.42	12.90	1.85	5.90	2.80	0.13	173.70	3.80	0.74	6.48	11.02

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

Cleveland Heights-University Heights City School District

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

Last Ten Years

Table 9

<u>Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Collected as a Percent of Current Levy</u>
1999	\$ 50,958,952	\$ 3,281,648	\$ 54,240,600	\$ 48,815,618	95.79%	\$ 1,376,408	\$ 50,192,026	98.50%
2000	50,792,187	3,445,416	54,237,603	48,529,555	95.55	1,840,890	50,370,445	99.17
2001	51,057,682	3,302,936	54,360,618	48,710,094	95.40	2,358,932	51,069,026	100.02
2002	61,457,814	3,264,265	64,722,079	53,422,810	86.93	1,476,879	54,899,689	89.33
2003	60,216,887	4,017,319	64,234,206	57,410,608	95.33	2,830,263	60,240,871	100.04
2004	63,884,607	3,977,674	67,862,281	58,532,812	91.62	3,179,666	61,712,478	96.60
2005	73,993,743	6,538,173	80,531,917	65,677,215	88.76	3,208,654	68,885,869	93.01
2006	73,180,871	6,317,749	79,498,620	69,220,320	94.58	4,081,167	73,301,487	100.01
2007	72,118,959	6,209,258	78,328,217	68,342,993	94.76	3,433,220	71,776,214	99.53
2008	80,279,737	6,829,786	87,109,523	69,488,916	86.56	4,198,730	73,687,646	91.79

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

Cleveland Heights-University Heights City School District

Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2007

Table 10

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	\$ <u>12,009,871</u>	100.00%	\$ <u>12,009,871</u>
Total direct	<u>12,009,871</u>		<u>12,009,871</u>
Overlapping:			
City of Cleveland Heights	23,465,000	74.00	17,364,100
City of South Euclid	8,842,976	2.44	215,769
City of University Heights	4,299,556	23.56	1,012,975
Cuyahoga County	194,593,691	3.94	7,666,991
Regional Transit Authority	<u>147,385,000</u>	3.94	<u>5,806,969</u>
Total overlapping	<u>378,586,223</u>		<u>32,066,804</u>
Grand total	\$ <u>390,596,094</u>		\$ <u>44,076,675</u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations were used for the 2008 collection year.

Cleveland Heights-University Heights City School District

Computation of Legal Debt Margin

Last Ten Fiscal Years

Table 11

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006⁽²⁾</u>	<u>2007⁽²⁾</u>	<u>2008⁽²⁾</u>
Assessed valuation	\$ <u>854,893,093</u>	\$ <u>863,424,359</u>	\$ <u>992,286,924</u>	\$ <u>974,823,724</u>	\$ <u>994,476,594</u>	\$ <u>1,123,452,674</u>	\$ <u>1,188,418,136</u>	\$ <u>1,079,491,310</u>	\$ <u>1,229,566,760</u>	\$ <u>1,242,263,410</u>
Debt limit - 9% of assessed value	76,940,378	77,708,192	89,305,822	87,734,135	89,502,893	101,110,741	106,957,632	97,154,218	110,661,008	111,803,707
Amount of debt applicable to debt limit:										
General obligation bonds	2,900,000	2,460,000	2,020,000	11,079,990	16,189,990	15,534,990	14,624,990	13,694,990	12,856,619	12,009,871
Tax anticipation note	1,600,000	1,600,000	1,000,000	400,000	-	-	-	-	-	-
Less: amount available in debt service fund	<u>(11,006)</u>	<u>(11,006)</u>	<u>(11,006)</u>	<u>(9,317,193)</u>	<u>(81,071)</u>	<u>(258,667)</u>	<u>(394,441)</u>	<u>(574,741)</u>	<u>(581,198)</u>	<u>(626,363)</u>
Total	<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>13,120,249</u>	<u>12,275,421</u>	<u>11,383,508</u>
Exemptions:										
Tax anticipation notes	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,000,000</u>	<u>400,000</u>	-	-	-	-	-	-
Total exemptions	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,000,000</u>	<u>400,000</u>	-	-	-	-	-	-
Amount of debt subject to the limit	<u>2,888,994</u>	<u>2,448,994</u>	<u>2,008,994</u>	<u>1,762,797</u>	<u>16,108,919</u>	<u>15,276,323</u>	<u>14,230,549</u>	<u>13,120,249</u>	<u>12,275,421</u>	<u>11,383,508</u>
Overall debt margin	\$ <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>84,033,969</u>	\$ <u>98,385,587</u>	\$ <u>100,420,199</u>
Debt margin - .10% of assessed Value ⁽¹⁾	\$ 854,893	\$ 863,424	\$ 992,287	\$ 974,823	\$ 994,477	\$ 1,123,453	\$ 1,188,418	\$ 1,079,491	\$ 1,229,567	\$ 1,242,263
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ <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>	\$ <u>1,229,567</u>	\$ <u>1,242,263</u>
Total net debt applicable to the limit as a percentage of debt limit	3.75%	3.15%	2.25%	2.01%	18.00%	15.11%	13.30%	13.50%	11.09%	10.18%

Source: Cuyahoga County Auditor and School District financial records

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

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

Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years

Table 12

Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Energy Conservation Notes	Notes Payable	Capital Leases	Qualified Zone Academy Bonds			
1999	\$ -	\$ 2,900,000	\$ -	\$ 22,264	\$ -	\$ 2,922,264	0.24%	\$ 43.31
2000	-	2,460,000	-	-	-	2,460,000	0.19	37.90
2001	-	2,020,000	-	-	-	2,020,000	0.15	31.12
2002	9,499,990	1,580,000	9,500,000	1,270,945	-	21,850,935	1.67	336.61
2003	9,249,990	6,940,000	-	985,513	-	17,175,503	1.31	264.58
2004	9,034,990	6,500,000	-	1,201,834	5,500,000	22,236,824	1.70	342.55
2005	8,784,990	5,840,000	-	1,141,507	5,500,000	21,266,497	1.62	327.61
2006	8,524,990	5,170,000	-	514,173	5,500,000	19,709,163	1.50	303.61
2007	8,371,619	4,485,000	-	254,877	5,500,000	18,611,496	1.42	286.71
2008	8,219,871	3,790,000	-	750,571	5,500,000	18,260,442	1.39	281.30

Source: School District financial records

Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years

Table 13

<u>Fiscal Year</u>	<u>Gross General Bonded Debt⁽¹⁾</u>	<u>Less Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value⁽²⁾</u>	<u>Population⁽³⁾</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Debt Per Capita</u>
1998/1999	\$ 2,900,000	\$ 11,006	\$ 2,888,994	\$ 854,893,093	67,477	0.34%	\$ 43
1999/2000	2,460,000	11,006	2,448,994	863,424,359	64,915	0.28	38
2000/2001	2,020,000	11,006	2,008,994	992,286,924	68,842	0.20	31
2001/2002	11,079,990	9,484,932	1,595,058	974,823,724	64,915	0.16	25
2002/2003	16,189,990	151,399	16,038,591	994,476,594	64,915	1.61	247
2003/2004	15,534,990	258,667	15,276,323	1,123,452,674	64,915	1.36	235
2004/2005	14,624,990	394,441	14,230,549	1,188,418,136	64,915	1.20	219
2005/2006	13,694,990	574,741	13,120,249	1,119,823,261	64,915	1.17	202
2006/2007	12,856,619	581,198	12,275,421	1,247,851,673	64,915	0.98	189
2007/2008	12,009,871	626,363	11,383,508	1,251,403,652	64,915	0.91	175

Sources:

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

Cleveland Heights-University Heights City School District

Demographic and Economic Statistics

Last Ten Fiscal Years

Table 14

<u>Year</u>	<u>County Population(1)</u>	<u>Cleveland Heights Population(1)</u>	<u>University Heights Population(1)</u>	<u>School Enrollment(2)</u>	<u>Unemployment Rate(3)</u>	<u>Cleveland Hts. Median Family Income(1)</u>	<u>University Hts. Median Family Income(1)</u>	<u>Total Personal Income(1)</u>	<u>Total Personal Per Capita</u>
1999	1,380,696	53,277	14,200	6,617	4.50	\$ 43,541	\$ N/A	\$ 1,231,731,360	\$ 18,254
2000	1,371,717	50,769	14,146	6,943	4.60	58,028	75,424	1,310,043,276	20,181
2001	1,371,717	54,052	14,790	6,891	4.60	58,028	75,424	1,310,043,276	20,181
2002	1,380,421	50,769	14,146	6,897	4.60	58,028	75,424	1,310,043,276	20,181
2003	1,393,978	50,769	14,146	6,821	4.50	58,028	75,424	1,310,043,276	20,181
2004	1,393,978	50,769	14,146	6,679	4.50	58,028	75,424	1,310,043,276	20,181
2005	1,393,978	50,769	14,146	6,711	5.90	58,028	75,424	1,310,043,276	20,181
2006	1,393,978	50,769	14,146	6,235	5.30	58,028	75,424	1,310,043,276	20,181
2007	1,393,978	50,769	14,146	6,058	5.20	58,028	75,424	1,310,043,276	20,181
2008	1,393,978	50,769	14,146	5,767	7.10	58,028	75,424	1,310,043,276	20,181

Sources:

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

Cleveland Heights-University Heights City School District

Principal Employers

Fiscal Year 2006 and Fiscal Year 2008

Table 15

December 31, 2005				December 31, 2007			
<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employees</u>	<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employees</u>
Cleveland Heights-University Heights Board of Education	School District	1,164	3.70%	Cleveland Heights-University Heights Board of Education	School District	1,011	3.05%
Cleveland Heights City Hall	Local Government	921	2.92%	Cleveland Heights City Hall	Local Government	921	2.78%
John Carroll University	Education	585	1.86%	John Carroll University	Education	684	2.06%
Wal Mart	Retail	300	0.95%	Bellefaire Jewish Children's	Social Services	506	1.53%
Kaiser Permanente	Health Care	300	0.95%	Kaiser Foundation	Healthcare	349	1.05%
Heinen's	Grocery/Retail	200	0.64%	Wal Mart	Retail	300	0.91%
Kauffman's	Retail	200	0.64%	A1 Healthcare	Healthcare	245	0.74%
Target	Retail	200	0.64%	Target	Retail	220	0.66%
Tops	Grocery/Retail	190	0.60%	Hebrew Academy	Private School	214	0.65%
Home Depot	Retail/Lumber	<u>150</u>	<u>0.48%</u>	Motorcars	Auto Dealership	<u>209</u>	<u>0.63%</u>
Total		<u>4,210</u>	<u>13.38%</u>	Total		<u>4,659</u>	<u>14.06%</u>
Total Employment within the School District		<u>31,488</u>		Total Employment within the School District		<u>33,140</u>	

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

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program

June 30, 2008

Table 16

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	392	Enrollment Grades K-5	351
Regular Instruction Teachers	25	Regular Instruction Teachers	22
Special Instruction Teachers	6	Special Instruction Teachers	4
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	401	Enrollment Grades K-5	330
Regular Instruction Teachers	23	Regular Instruction Teachers	19
Special Instruction Teachers	2	Special Instruction Teachers	6
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	-	Enrollment Grades 6-8	486
Regular Instruction Teachers	-	Regular Instruction Teachers	34
Special Instruction Teachers	-	Special Instruction Teachers	8
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	430	Enrollment Grades 6-8	508
Regular Instruction Teachers	25	Regular Instruction Teachers	36
Special Instruction Teachers	6	Special Instruction Teachers	10
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	287	Enrollment Grades 6-8	405
Regular Instruction Teachers	16	Regular Instruction Teachers	33
Special Instruction Teachers	8	Special Instruction Teachers	9
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	425	Enrollment Grades 9-12	1,752
Regular Instruction Teachers	24	Regular Instruction Teachers	96
Special Instruction Teachers	5	Special Instruction Teachers	38

Source: School District's appraisal reports and personnel records

Cleveland Heights-University Heights School District

Per Pupil Cost

Last Ten Fiscal Years

Table 17

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students who Receive Free or Reduced Lunch (3)</u>
1999	\$ 83,755,390	6,617	\$ 12,658	22.06%	591	11.20	N/A
2000	81,761,201	6,943	11,776	(6.97)	662	10.49	N/A
2001	81,019,903	6,891	11,757	(0.16)	496	13.89	N/A
2002	87,326,278	6,897	12,661	7.69	595	11.59	37.96%
2003	99,842,231	6,821	14,637	15.61	610	11.18	43.64
2004	85,249,293	6,683	12,756	(12.85)	581	11.50	44.32
2005	80,024,949	6,451	12,405	(2.75)	473	13.64	48.54
2006	83,685,378	6,235	13,422	8.20	491	12.70	51.09
2007	85,208,087	6,058	14,065	4.79	484	12.52	55.22
2008	88,720,072	5,767	15,384	9.38	455	12.67	53.16

Source: School District records

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

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

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

N/A – Information not available.

Cleveland Heights-University Heights School District

Teacher Education and Experience

Last Seven Fiscal Years

Table 18

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

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

Cleveland Heights-University Heights School District

Attendance and Graduation Rates

Last Ten Fiscal Years

Table 19

<u>Year</u>	<u>District Attendance Rate</u>	<u>State Average</u>	<u>District Graduation Rate</u>	<u>State Average</u>
1999	93.2%	93.5%	93.0%	80.6%
2000	95.2	93.6	91.4	80.6
2001	93.8	93.9	78.2	81.1
2002	94.2	94.3	79.6	82.7
2003	94.6	94.5	88.0	84.3
2004	94.6	94.5	90.0	85.9
2005	94.2	94.3	89.1	86.2
2006	94.5	94.1	96.4	86.1
2007	94.2	94.1	96.0	86.90
2008	94.3	94.2	(a)	(a)

Source: Ohio Department of Education Local Report Card.

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

Cleveland Heights-University Heights City School District

Full-time School District Employees by Function

Last Four Fiscal Years

Table 20

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function:				
Instruction:				
Regular	336	349	403	353
Special	114	118	124	102
Vocational	15	16	16	14
Adult/continuing	5	5	-	-
Other instruction	3	3	2	2
Support services:				
Pupil	158	160	189	196
Instructional staff	66	67	51	51
Administration	50	44	67	65
Fiscal	17	18	10	10
Business	24	25	5	4
Operations of maintenance of plant	86	87	109	102
Pupil transportation	81	82	48	49
Central	25	25	18	18
Operations of non-instructional services:				
Community services (1)	34	34	42	42
Other	1	1	1	1
Extracurricular activities	<u>20</u>	<u>20</u>	<u>2</u>	<u>2</u>
Total	<u><u>1,035</u></u>	<u><u>1,054</u></u>	<u><u>1,087</u></u>	<u><u>1,011</u></u>

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

(1) Includes food services personnel.

Cleveland
University **Heights**



City School District

GOALS

Statement



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

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

ABOUT THE *Cover*



The Cleveland Heights – University Heights City School District is preparing today's students for tomorrow's world. For several years faculty and staff have lived by eight words in their focus to help all students realize success: ***Every Student, Every Day, Some Success, Some Way.*** With this motto as a building block, the District is further enhancing its focus by concentrating on four additional words: ***College Ready. Life Prepared.***

The Cleveland Heights – University Heights City School District is dedicated to providing the highest quality education for every student, to building on current services, and to initiating new programs that help all students achieve success. By opening the minds of students and discovering their talents through opportunities and support provided by the District, students leave prepared for college and life, which is the District's vision, or simply stated as P.A.S.S.A.G.E. ***Preparing All Students for Success in A Global Economy.***

The school community is rich with opportunity, and the District's educators seek to equip students with the skills and knowledge needed to compete as citizens of the global economy. The District recently took the next step in realizing its vision by launching a program that provides laptops to students as instructional classroom tools. The One to One Teaching and Learning with Technology Initiative began in October 2008 when laptops were distributed to students at one middle school as a pilot site. By 2012, all middle and high school students will learn with laptops in a wireless digital environment.

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, 2008**

Cleveland Heights – University Heights City School District

For the year ended June 30, 2008

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights - University Heights City School District (the “District”), as of and for the year ended June 30, 2008, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 11, 2008, wherein we noted the District implemented GASB Statement No.’s 45, 48, and 50, as disclosed in Note 3. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District’s financial statements that is more than inconsequential will not be prevented or detected by the District’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District’s internal control.

Board of Education
Cleveland Heights – University Heights
City School District

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District, in a separate letter dated December 11, 2008.

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
December 11, 2008

**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, 2008. The District’s major federal programs are identified in the summary of auditors’ 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, 2008.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 11, 2008, wherein we noted the District Implemented GASB Statement No.'s 45, 48, and 50, as disclosed in Note 3.

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

Board of Education
Cleveland Heights – University Heights
City School District

This report is intended solely for the information and use of the District's Board of Education, 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 & Panichi, Inc.

Cleveland, Ohio
December 11, 2008

Cleveland Heights – University Heights City School District

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2008

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	\$ -	\$ 125,953	\$ -	\$ 125,953
Nutrition Cluster:						
School Breakfast Program	10.553	N/A	296,680	-	296,680	-
School Lunch Program	10.555	N/A	<u>1,297,298</u>	<u>-</u>	<u>1,297,298</u>	<u>-</u>
Total Nutrition Cluster			<u>1,593,978</u>	<u>-</u>	<u>1,593,978</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,593,978</u>	<u>125,953</u>	<u>1,593,978</u>	<u>125,953</u>
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Adult Education – State Grant Program	84.002	AB-S1-2007	<u>206,712</u>	<u>-</u>	<u>242,910</u>	<u>-</u>
Title I	84.010	C1-S1-2008	755,409	-	923,443	-
Title I	84.010	C1-SN-2007	12,974	-	12,100	-
Title I	84.010	C1-SN-2008	<u>34,603</u>	<u>-</u>	<u>36,379</u>	<u>-</u>
Total Title I			<u>802,986</u>	<u>-</u>	<u>971,922</u>	<u>-</u>
Special Education Cluster:						
Title VI-B	84.027	6B-SF-2007	356,138	-	286,840	-
Title VI-B	84.027	6B-SF-2008	<u>1,526,746</u>	<u>-</u>	<u>1,607,692</u>	<u>-</u>
Subtotal Title VI-B			<u>1,882,884</u>	<u>-</u>	<u>1,894,532</u>	<u>-</u>
Special Education – Preschool Grant	84.173	PG-S1-2007	45	-	2,159	-
Special Education – Preschool Grant	84.173	PG-S1-2008	<u>36,346</u>	<u>-</u>	<u>41,963</u>	<u>-</u>
Subtotal Special Education – Preschool Grant			<u>36,391</u>	<u>-</u>	<u>44,122</u>	<u>-</u>
Total Special Education Cluster			<u>1,919,275</u>	<u>-</u>	<u>1,938,654</u>	<u>-</u>
Vocational Education	84.048	20-C1-2007	59,162	-	11,271	-
Vocational Education	84.048	20-C1-2008	<u>198,110</u>	<u>-</u>	<u>206,320</u>	<u>-</u>
Total Vocational Education			<u>257,272</u>	<u>-</u>	<u>217,591</u>	<u>-</u>
Drug-Free Schools Grant	84.186	DR-S1-2007	703	-	891	-
Drug-Free Schools Grant	84.186	DR-S1-2008	<u>24,741</u>	<u>-</u>	<u>24,203</u>	<u>-</u>
Total Drug-Free Schools Grant			<u>25,444</u>	<u>-</u>	<u>25,094</u>	<u>-</u>
Even Start	84.213	EV-S1-2007	<u>32,819</u>	<u>-</u>	<u>26,723</u>	<u>-</u>
Twenty-First Century Community Learning	84.287	T1-A2-2007	53,075	-	32,894	-
Twenty-First Century Community Learning	84.287	T1-A2-2008	<u>212,592</u>	<u>-</u>	<u>238,719</u>	<u>-</u>
Total Twenty-First Century Community Learning			<u>265,667</u>	<u>-</u>	<u>271,613</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, 2008

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Number	Receipts	Non-cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Education :						
Passed-Through Ohio Department of Education:						
Innovative Education Program Strategy	84.298	C2-S1-2007	3,047	-	-	-
Innovative Education Program Strategy	84.298	C2-S1-2008	13,664	-	14,567	-
Total Innovative Education Program Strategy			16,711	-	14,567	-
Technology Literacy Challenge Fund Grant	84.318	TJ-S1-2007	7,577	-	9,535	-
Technology Literacy Challenge Fund Grant	84.318	TJ-S1-2008	7,714	-	8,217	-
Total Technology Literacy Challenge Fund Grant			15,291	-	17,752	-
English Language Acquisition Grant	84.365	T3-S1-2007	13,015	-	12,576	-
English Language Acquisition Grant	84.365	T3-S1-2008	1,339	-	12,941	-
English Language Acquisition Grant	84.365	T3-S2-2007	8,889	-	7,929	-
English Language Acquisition Grant	84.365	T3-S2-2008	6,130	-	10,560	-
Total English Language Acquisition Grant			29,373	-	44,006	-
Improving Teacher Quality State Grant	84.367	MS-S1-2007	23,332	-	4,078	-
Improving Teacher Quality State Grant	84.367	MS-S1-2008	246,094	-	260,658	-
Total Improving Teacher Quality State Grant			269,426	-	264,736	-
Total U.S. Department of Education			3,840,976	-	4,035,568	-
U.S. Department of Health and Human Services:						
Passed-Through Ohio Department of Mental Retardation and Developmental Disabilities:						
Medicaid Assistance Program (CAFS)	93.778	N/A	182,680	-	-	-
Corporation for National and Community Service:						
Learn and Serve America	94.004	SV-S1-2007	1,943	-	1,860	-
Learn and Serve America	94.004	SV-S1-2008	300	-	522	-
Total Learn and Serve America			2,243	-	2,382	-
Total Expenditures of Federal Awards			\$ 5,619,877	\$ 125,953	\$ 5,631,928	\$ 125,953

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, 2008

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

Medical Assistance Program (CAFS)

The District received a CAFS settlement in the amount of \$182,680 during the fiscal year. The amount of the settlement relates to CAFS services provided during prior years.

Cleveland Heights – University Heights City School District

Schedule of Findings

June 30, 2008

1. Summary of Auditors' Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .501?	No
(d)(1)(vii)	Major Programs	<ul style="list-style-type: none"> • Title I (CFDA # 84.010) • Special Education Cluster (CFDA # 84.027) (CFDA # 84.173)
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

None.

3. Findings for Federal Awards

None.

Cleveland Heights – University Heights City School District

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

June 30, 2008

The June 30, 2007 audit reported no audit findings as defined in OMB Circular A-133, Section .510. Therefore, preparation of a corrective action plan is not applicable.

Cleveland Heights – University Heights City School District

Corrective Action Plan
OMB Circular A-133 Section .315(c)

June 30, 2008

The June 30, 2008 audit reported no audit findings as defined in OMB Circular A-133, Section .510. Therefore, preparation of a corrective action plan is not applicable.



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
JANUARY 8, 2009**