

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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





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, 2006 through June 30, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 28, 2007

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Introductory Section



DOUGLAS MILLION
Grade 5, Oxford Elementary



MILES JEFFRIES
Grade 5, Oxford Elementary



CINDY MOSCOSO

*Grade 8
Monticello Middle School*



ALIYAH CROSS

Grade 8, Monticello Middle School

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

Comprehensive Annual Financial Report



MELANIE DENNIS

Grade 8, Monticello Middle School

*for the fiscal year
ended June 30, 2007*

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



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, 2007

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Cleveland Heights-University Heights City School District

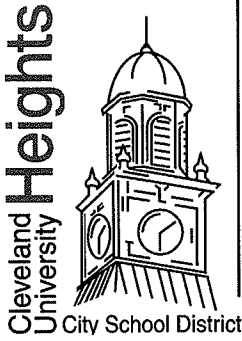
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A. Scott Gainer
Chief Financial Officer

November 26, 2007

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, 2007.

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

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes the transmittal letter, the County's organizational chart, list of elected officials and a map of the District. The financial section contains the basic financial statements and the combining and individual fund financial statements and schedules. The statistical section includes various tables that present selected financial and demographic information. These tables are intended to depict various trends that have affected the financial condition of the District over the past ten years.

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, 2007. The Independent Auditors' Report is located at the front of the financial section of this report.

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

Profile of the School District

The Cleveland Heights-University Heights City School District is one of 612 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 6,058 students in grades kindergarten through twelve. Additionally, the District provides preschool, after school, and adult education services. The District covers approximately 9.6 square miles, serving the cities of Cleveland Heights, University Heights and a small portion of South Euclid, and is located approximately ten miles

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

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

- 1964 Board Administration Building opened
- 1972 Bond issue to construct new Coventry, Boulevard, Fairfax, and Taylor school buildings
- 1987 Northwood Elementary School sold
- 1993 Belvoir School renamed Lauree P. Gearity Elementary School

Local Economy

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

The relative vitality of the area is also demonstrated by the new construction in both cities. Several residential condominium and townhouse projects began and/or are being continued in the City of Cleveland Heights. In the City of University Heights, construction concluded on the Cedar Center development project. State funding of schools, specifically for general operations, remains unclear for future years due to a series of Ohio Supreme Court decisions on the constitutionality of the present fund system. Additionally, the real property tax system in Ohio does not permit school districts to receive additional tax revenue solely as a result of reassessment or reappraisal. Consequently, the primary means of increasing revenue for the District is through additional operating tax levies. In conjunction with \$6 million in permanent budget reductions approved by the Board of Education for the 2005 fiscal year, as well as \$1 million in budget reductions for the 2007 fiscal year and the closing of an elementary school in 2008, the District 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 \$1,406,277 at June 30, 2007 compared with net assets of \$1,482,434 at June 30, 2006. The District is meeting its claim liability.

The most recent District five year forecast indicates a positive cash balance through 2009, with a \$10.7 million deficit beginning in 2010. 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 School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide educational services prescribed by State and/or Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer. A complete organizational chart is included in this Introductory Section.

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

The District is associated with two organizations, the Ohio Schools' Council and the Cleveland Heights-University Heights Public Library. The Ohio Schools' Council is a jointly governed organization whose relationship to the School District is described in Note 16 to the accompanying financial statements. The Cleveland Heights-University Heights Public Library is a related organization and is described in Note 20 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 2007, the District earned \$2,322,959 in interest income of which \$2,155,020 was credited to the general fund.

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

Major Initiatives

The District completed implementation of the Ohio High School Transformation Initiative, which transformed Heights High - a high school serving some 2,000 students - into five small learning communities. Three of the "small schools" opened in the 2004-2005 school year and the remaining two schools opened in the 2005-2006 school year. This initiative is based on research that demonstrates that smaller schools benefit all students, from high-performing to marginally achieving. Students graduate from small schools at higher rates than from traditional high schools, they earn higher grade point averages, and participate in extracurricular activities in greater numbers. All students receive more personalized attention than in traditional, large high schools. \$2 million was received by the District to implement this initiative from the Bill and Melinda Gates Foundation through the Knowledgeworks Foundation. Additionally, the District continues to be a partner in innovative programs such as an elementary Chinese language program with Sesame Street and a 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 is entering contract negotiations with all District bargaining units beginning in March, 2008.

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, 2006. This was the sixth 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, 2006. 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.

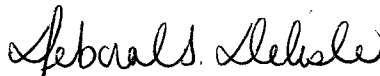
Acknowledgments

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 2006

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland Heights-University
City School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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.



President

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, 2006

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

President

Executive Director

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

Principal Officials

as of June 30, 2007

BOARD OF EDUCATION

Mr. Kal Zucker, President

Ms. Wendy Leatherberry, Vice-President

Mr. Michael Cicero, Member

Mr. Mark Phillips, Member

Mr. Ronald Register, Member

CHIEF FINANCIAL OFFICER

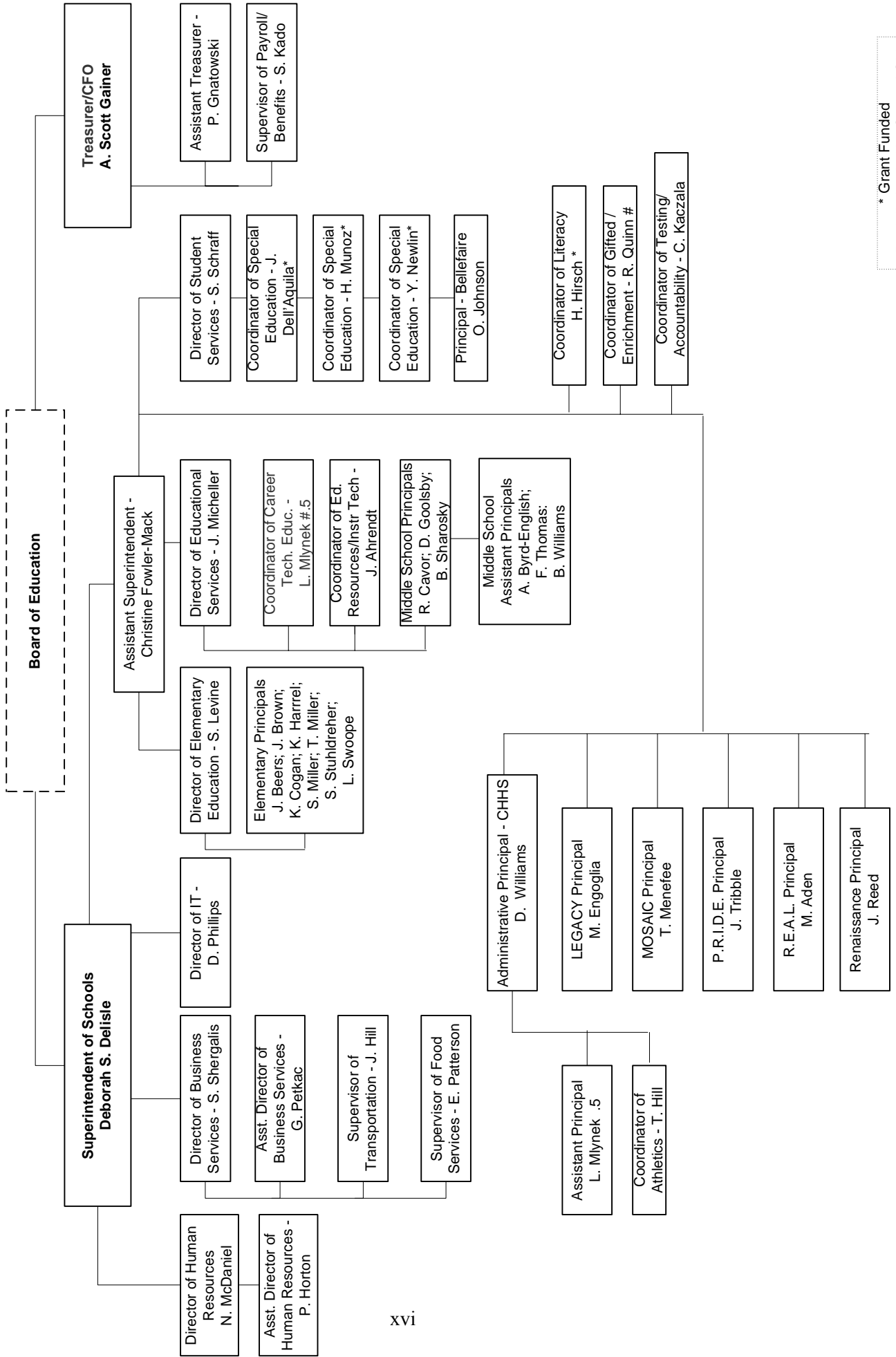
Mr. A. Scott Gainer

SUPERINTENDENT

Mrs. Deborah S. Delisle



Cleveland Heights-University Heights
Board of Education
Organizational Chart for Administrators
2006-2007



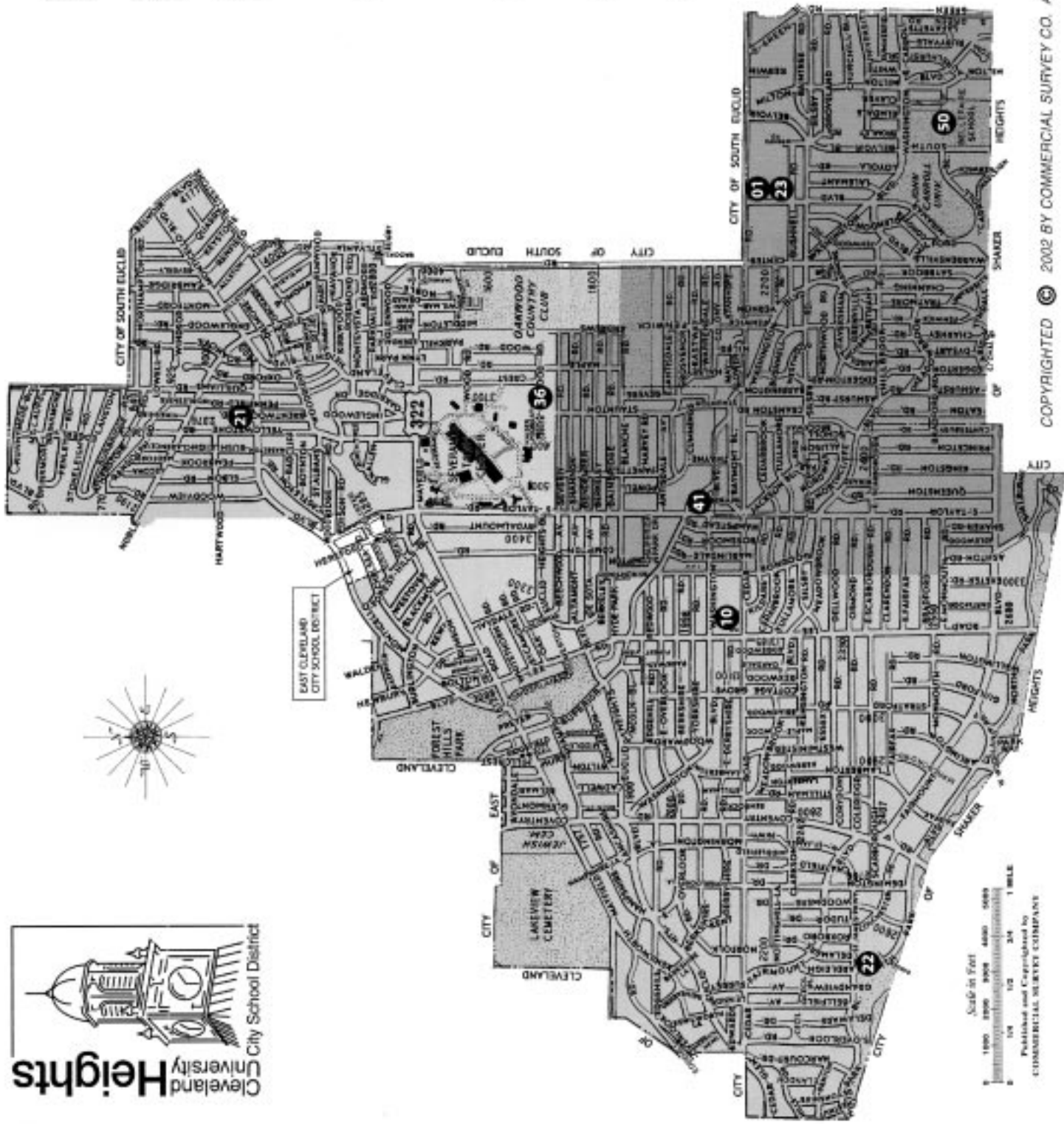
* Grant Funded
Partially funded by State of Ohio

Administrator



ELEMENTARY SCHOOLS

- 32** Boulevard Elementary School
1749 Lee Road
Cleveland Hts., OH 44118-1700
216-371-7140
- 33** Canterbury Elementary School
2530 Canterbury Road
Cleveland Hts., OH 44118-4398
216-371-7470
- 34** Coventry Elementary School
2843 Washington Boulevard
Cleveland Hts., OH 44118-2012
216-371-7110
- 35** Fairfax Elementary School
3150 Fairfax Road
Cleveland Hts., OH 44118-4097
216-371-7480
- 31** Lauree P. Gearity Elementary School
2323 Wrenford Road
University Hts., OH 44118-3998
216-371-6515
- 37** Noble Elementary School
1293 Ardoon Street
Cleveland Hts., OH 44121-1600
216-371-6535
- 39** Oxford Elementary School
939 Quilliams Road
Cleveland Hts., OH 44121-1900
216-371-6525
- 40** Roxboro Elementary School
2405 Roxboro Road
Cleveland Hts., OH 44106-3699
216-371-7115



MIDDLE SCHOOLS

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

HIGH SCHOOL

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

OTHER SITES

- 01** Board of Education
2155 Miramar Boulevard
University Hts., OH 44118-3397
216-371-7171
- 36** Millikin Early Childhood Center
1700 Crest Road
Cleveland Hts., OH 44121-1726
216-371-7356
- 41** Taylor Academy
14780 Superior Road
Cleveland Hts., OH 44118-2143
216-371-7463
- 50** Bellefaire School
22001 Fairmount Boulevard
Cleveland Hts., OH 44118-4898
216-932-6700



Financial Section



KYRA GERMANY
Grade 5, Oxford Elementary



MEGAN HOCKEY
Grade 5, Noble 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, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights - University Heights City School District, as of June 30, 2007, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2007 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.

Board of Education
Cleveland Heights – University Heights City School District

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for 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
November 26, 2007

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2007

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, 2007. 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 2007 are as follows:

In total, net assets increased \$1,400,428 which is an improvement in the District's financial position. Net assets of governmental activities increased \$2,559,929, which represents a 3.21% increase from 2006. Net assets of business-type activities decreased \$1,159,501 or 263.42% from 2006.

For governmental activities, general revenues accounted for \$87,608,379 in revenue or 87% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$13,145,390 or 13% of total revenues of \$100,753,769.

The District had \$98,191,255 in expenses related to governmental activities; only \$13,145,390 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 \$87,608,379 were able to provide for these programs resulting in an increase of net assets from \$79,802,183 to \$82,362,112.

The School District had \$5,958,300 in expenses related to business-type activities; a total of \$3,587,693 was offset by program specific charges for services, grants and contributions. General revenues and transfers of \$1,211,106 were not adequate to provide for these programs by \$(1,159,501) resulting in a decrease of net assets from \$(440,167) to \$(1,599,668).

The School District's major governmental funds were the general fund, debt service fund and permanent improvement fund. The general fund had \$88,445,590 in revenues and \$85,208,087 in expenditures and other financing uses. The general fund balance increased \$3,237,503, from \$52,835,087 to \$56,072,590. The debt service fund had \$1,506,171 in revenues and other financing sources and \$1,499,714 in expenditures. The debt service fund balance increased \$6,457 from \$574,741 to \$581,198. The permanent improvement fund had \$3,747,254 in revenues and \$5,088,531 in expenditures and other financing uses. The permanent improvement fund balance decreased \$1,341,277 from \$6,025,842 to \$4,684,565.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2007

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

Reporting the School District as a Whole

The Statement of Net Assets and Statement of Activities

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 8 of the financial statements. The governmental fund financial statements begin on page 16 and provide detailed information about the major governmental funds and non-major governmental funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements. The District's major governmental funds are the general fund, debt service fund and the permanent improvement capital projects fund. The Bellefaire general rotary fund is the District's only major enterprise fund.

Governmental Funds

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

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2007

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 26. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

The School District as A Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2007 and 2006.

	Net Assets			
	Governmental Activities <u>2007</u>	Business-Type Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business-Type Activities <u>2006</u>
Assets:				
Current and other assets	\$ 114,765,538	\$ (1,758,895)	\$ 112,834,852	\$ (746,277)
Capital assets	<u>36,563,053</u>	<u>721,008</u>	<u>33,325,424</u>	<u>754,143</u>
Total assets	<u>151,328,591</u>	<u>(1,037,887)</u>	<u>146,160,276</u>	<u>7,866</u>
Liabilities:				
Current and other liabilities	43,989,470	267,229	39,625,398	133,015
Long-term liabilities	<u>24,977,009</u>	<u>294,552</u>	<u>26,732,695</u>	<u>315,018</u>
Total liabilities	<u>68,966,479</u>	<u>561,781</u>	<u>66,358,093</u>	<u>448,033</u>
Net assets				
Invested in capital assets, net of debt	26,323,176	721,008	22,141,251	754,143
Restricted	5,259,926	-	6,847,735	-
Unrestricted (deficit)	<u>50,779,010</u>	<u>(2,320,676)</u>	<u>50,813,197</u>	<u>(1,194,310)</u>
Total net assets (deficit)	\$ <u>82,362,112</u>	\$ <u>(1,599,668)</u>	\$ <u>79,802,183</u>	\$ <u>(440,167)</u>

Total assets increased by \$4,122,562 mainly due to increases in cash and capital assets. Cash increased by \$725,160. Last year's cash balance of \$34,593,639 included restricted assets of \$3,723,485. This year's cash balance of \$35,318,799 includes restricted assets of \$3,923,579. Increase in cash is mainly due to management's efforts to reduce expenditures to compensate for a decrease in revenues. The District has also taken advantage of the increase in interest rates and has maintained an aggressive investment plan. Total capital assets increased by \$3,204,494 mainly due to an increase in construction in progress for the Small Schools and Gearity School renovations and improvements. Unrestricted net assets of the District, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, decreased by \$1,160,553, mainly due to a decrease in the business-type activities net assets. Overall, the financial position of the District increased positively over 2006.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2007

	Changes in Net Assets			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
Revenues:				
Program revenues:				
Charges for services	\$ 3,710,130	\$ 3,338,919	\$ 4,465,652	\$ 3,486,411
Operating grants	9,388,747	248,774	6,495,373	26,289
Capital grants	46,513	-	30,000	-
Total program revenues	<u>13,145,390</u>	<u>3,587,693</u>	<u>10,991,025</u>	<u>3,512,700</u>
General revenues:				
Property taxes	60,959,204	-	81,278,748	-
Grants and entitlements	23,469,550	1,208,521	26,687,865	2,078,400
Investment earnings	2,322,959	-	1,432,840	-
Miscellaneous	856,666	-	955,098	-
Total general revenues	<u>87,608,379</u>	<u>1,208,521</u>	<u>110,354,551</u>	<u>2,078,400</u>
Total revenues	<u>100,753,769</u>	<u>4,796,214</u>	<u>121,345,576</u>	<u>5,591,100</u>
Program expenses:				
Instruction:				
Regular education	35,895,404	-	35,341,336	-
Special education	9,844,902	-	8,573,448	-
Vocational education	1,701,696	-	1,662,594	-
Adult/continuing education	270,336	-	145,191	-
Other	2,728,650	-	3,405,263	-
Support services:				
Pupil	9,342,399	-	9,436,509	-
Instructional staff	5,271,776	-	4,469,078	-
Board of education	484,231	-	530,377	-
Administration	6,281,020	-	6,167,949	-
Fiscal	2,177,550	-	2,019,423	-
Business	2,299,809	-	2,307,448	-
Operation and maintenance - plant	10,444,810	-	11,451,826	-
Pupil transportation	3,909,255	-	3,498,625	-
Central	2,874,077	-	2,976,522	-
Operations of non-instructional services	2,467,145	-	1,920,647	-
Extracurricular activities	1,524,317	-	1,157,041	-
Interest and fiscal charges	673,878	-	570,050	-
Food service	-	2,248,241	-	2,112,230
Uniform school supplies	-	65,933	-	75,620
Customer services	-	12,347	-	9,112
Community services/early childhood	-	739,277	-	821,651
Bellefaire general rotary	-	2,892,502	-	2,827,708
Total program expenses	<u>98,191,255</u>	<u>5,958,300</u>	<u>95,633,327</u>	<u>5,846,321</u>
Increase (decrease) in net assets before transfers	2,562,514	(1,162,086)	25,712,249	(255,221)
Transfers	<u>(2,585)</u>	<u>2,585</u>	<u>3,000</u>	<u>(3,000)</u>
Increase (decrease) in net assets	2,559,929	(1,159,501)	25,715,249	(258,221)
Net assets (deficit) at beginning of year	79,802,183	(440,167)	54,086,934	(181,946)
Net assets (deficit) at end of year	<u>\$ 82,362,112</u>	<u>\$ (1,599,668)</u>	<u>\$ 79,802,183</u>	<u>\$ (440,167)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2007

Governmental Activities

The District passed an 8.5 mill levy in March 2004. Additionally, the District cut \$6 million from the budget for the 2004-2005 fiscal year. Among governmental funds, this had the most significant impact on net assets of governmental activities 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 58 percent of revenues for governmental activities for the District in fiscal year 2007.

Instruction and support services comprise 51 percent and 44 percent of governmental program expenses, respectively. Interest expense was 1 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects. Overall, governmental program expenses increased approximately \$2.5 million, mainly due to an increase in regular instruction, special instruction and community services and expenses. Certain governmental funds such as auxiliary services fund increased over 2006 in expenditures as a result of being in the second year of its funding period. Funding that was not liquidated in the first year carried over from 2006 to 2007 and resulted in greater expenditures in 2007. Overall, this fund increased by 23 percent in expenditures which amounted to \$465,000 over 2006.

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 2007 and 2006. 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 2007</u>	<u>Services 2007</u>	<u>Services 2006</u>	<u>Services 2006</u>
Program expenses:				
Instruction	\$ 50,440,988	\$ 39,799,841	\$ 49,127,832	\$ 40,392,953
Support services:				
Pupil and instructional staff	14,614,175	14,361,043	13,905,587	13,905,587
Board of education, administration, fiscal and business	11,242,610	11,210,130	11,025,197	10,962,508
Operation and maintenance - plant	10,444,810	10,368,476	11,451,826	11,343,833
Pupil transportation	3,909,255	3,834,180	3,498,625	3,405,128
Central services	2,874,077	2,832,077	2,976,522	2,912,122
Operation of non-instructional services	2,467,145	534,539	1,920,647	37,372
Extracurricular activities	1,524,317	1,431,701	1,157,041	1,112,749
Interest and fiscal charges	673,878	673,878	570,050	570,050
Total program expenses	\$ <u>98,191,255</u>	\$ <u>85,045,865</u>	\$ <u>95,633,327</u>	\$ <u>84,642,302</u>

The dependence upon tax revenues during fiscal year 2007 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, 2007

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 \$4,798,799 and expenses of \$5,958,300 for fiscal year 2007. The Bellefaire general rotary fund had expenses of \$2,892,502 and revenues of \$2,007,314. This resulted in a decrease of net assets for the fiscal year of \$885,188, mainly due to a decrease in state funds of approximately \$700,000 from the prior year. The other enterprise funds had expenses of \$3,065,798 and revenues, including transfers - in of \$2,791,485. This resulted in a decrease to net assets for the fiscal year of \$274,313, mainly due to decrease in tuition received for the community services and early childhood programs from the prior year. 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 \$61,269,898, an increase of \$667,001 in comparison with the prior year. Approximately 49 percent of this total amount, \$30,022,830 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 \$2,790,712, 2) to pay debt service \$221,590, 3) for property tax advances that do not represent available financial resources \$27,235,000 or 4) for inventory and textbooks \$999,766.

The general fund is the chief operating fund of the District. The District’s general fund balance increased by \$3,237,503, due to an increase in interest earnings and other revenue during 2007. The table that follows assists in illustrating the revenues of the general fund.

<u>Revenues</u>	2007 <u>Amount</u>	2006 <u>Amount</u>	Percentage <u>Change</u>
Taxes	\$ 58,560,787	\$ 75,158,670	(22)%
Interest earnings	2,155,020	1,295,344	66%
Intergovernmental	25,368,189	27,476,930	(8)%
Other revenue	<u>2,361,594</u>	<u>1,555,666</u>	52%
Total	<u>\$ 88,445,590</u>	<u>\$ 105,486,610</u>	

The property tax revenue decreased \$16,597,883 due to an increase in the amount of property tax advances that took place in fiscal year 2006 from the fiscal year 2005 tax advances. In 2007, the property tax advances returned to normal levels, causing tax revenue to decrease from the prior year.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2007

Interest earnings increased \$859,676. As mentioned earlier, this increase is attributable to maintaining an aggressive investment strategy where management has taken advantage of high interest rates combined with investing the maximum available balances throughout the year.

Other revenue increased \$805,928. This increase is due to an increase in tuition revenue of \$1,127,437 offset by a decrease in miscellaneous revenue of \$321,509. The increase 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 has been collected in fiscal year 2008. Miscellaneous revenue decreased mainly due to a payroll tax refund of \$507,527 received in fiscal year 2006.

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

<u>Expenditures by Function</u>	<u>2007 Amount</u>	<u>2006 Amount</u>	<u>Percentage Change</u>
Instruction	\$ 44,326,972	\$ 45,764,423	(3)%
Support services	38,984,636	36,611,400	6%
Other non-instructional services	108,019	96,821	12%
Extracurricular activities	<u>1,129,566</u>	<u>896,895</u>	26%
Total	\$ <u>84,549,193</u>	\$ <u>83,369,539</u>	

Overall, increase in support services and other non-instructional services increased due to a step-increase in employee wages. Extracurricular activities increased due to an increase in salaries and other benefits. An increase in sports activities and events is a major reason for this difference from 2006.

The debt service fund has a total fund balance of \$581,198, \$221,590 is reserved for the payment of debt service and \$359,608 is reserved for property tax advances that do not represent available financial resources. The net increase in fund balance during the current year in the debt service fund was \$6,457 due to the increase in property tax receipts offset by a decrease in debt payments during the year.

The permanent improvement capital projects fund has a total fund balance of \$4,684,565. \$239,412 is reserved for encumbrances, \$1,490,419 is reserved for property tax advances that do not represent available financial resources and \$2,954,734 was unreserved. The net decrease in fund balance during the current year was \$1,341,277 due a decrease in property tax revenue for the same reason as the decrease of property tax revenue in the general fund.

Proprietary Funds

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

General Fund Budget Information

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of fiscal year 2007, the District amended its budget to reflect the fluctuations of actual

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2007

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 2007. During the course of fiscal year 2007, the total budget was changed several times. For the general fund, final budgeted revenues and other financing sources were \$92,005,681. Actual revenues and other financing sources for fiscal year 2007 were \$91,267,377. Actual differed from final budget mainly due to lower than anticipated collection of tuition revenue. General fund original appropriations and other financing uses of \$92,241,359 increased to \$94,305,526 in the final budget. The actual expenditures and other financing uses for fiscal year 2006 totaled \$87,806,487, which was \$6,499,039 less than the final budget appropriations. Actual differed from final budget mainly due to lower than anticipated expenses for regular instruction and as a result of transferring actual expenditures for all-day kindergarten and class size reduction to the poverty aid fund.

Capital Assets

The District had \$37,284,061 invested in capital assets net of depreciation, with \$36,563,053 attributed to government activities. Acquisition for government activities totaled \$4,269,996 and depreciation was \$1,032,367. As mentioned before, the majority of the additions were represented by construction in progress for the Small Schools and Gearity School improvements. Detailed information regarding capital asset activities is included in the notes to the financial statement (Note 9).

Debt

At June 30, 2007, the District had \$18,356,619 in outstanding long-term bond debt and of this amount \$846,748 was due within one year. The District paid \$838,371 in principal on bonds outstanding. The district had capital leases of \$254,877 outstanding at June 30, 2007, with \$119,664 due within one year. The district paid \$259,296 on capital leases outstanding. Detailed information regarding long-term debt activity, capital lease obligations and notes payable activity is included in the notes to the basic financial statements (Notes 14 and 15, 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 in fiscal year 2008 to provide more efficient and effective instruction at the elementary level while saving nearly \$1 million annually in operating costs.

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.



KALEIGH HARRIS
Grade 3, Oxford Elementary



FOLASADE AUGUSTIN-GLAVE
Grade 4, Oxford Elementary



JARDE HAIRSTON
Grade 5, Oxford Elementary



ANDRIANNA WATSON
Grade 4
Oxford Elementary



Basic Financial Statements



CAELIN EVANS
Grade 7, Roxboro Middle School

ANDREW BENNETT
Grade 7, Roxboro Middle School



DONALD APPLING
Grade 7, Roxboro Middle School



Cleveland Heights-University Heights City School District

Statement of Net Assets

June 30, 2007

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 31,079,101	\$ 316,119	\$ 31,395,220
Accounts receivable	121,767	3,025	124,792
Intergovernmental receivable	3,996,415	3,711,697	7,708,112
Internal balances	5,807,608	(5,807,608)	-
Materials and supplies inventory	323,456	6,472	329,928
Inventory held for resale	-	11,400	11,400
Prepays	208,205	-	208,205
Taxes receivable	69,305,407	-	69,305,407
Restricted cash and investments	3,923,579	-	3,923,579
Nondepreciable capital assets	5,721,756	-	5,721,756
Depreciable capital assets, net	<u>30,841,297</u>	<u>721,008</u>	<u>31,562,305</u>
Total assets	<u>151,328,591</u>	<u>(1,037,887)</u>	<u>150,290,704</u>
Liabilities:			
Accounts payable	1,175,940	38,234	1,214,174
Accrued wages and benefits	1,332,261	86,110	1,418,371
Matured compensated absences	420,732	-	420,732
Intergovernmental payable	2,826,743	142,885	2,969,628
Unearned revenue	36,501,030	-	36,501,030
Claims payable	1,687,400	-	1,687,400
Accrued interest payable	45,364	-	45,364
Long-term liabilities:			
Due within one year	1,394,358	80,489	1,474,847
Due in more than one year	<u>23,582,651</u>	<u>214,063</u>	<u>23,796,714</u>
Total liabilities	<u>68,966,479</u>	<u>561,781</u>	<u>69,528,260</u>
Net assets:			
Invested in capital assets, net of related debt	26,323,176	721,008	27,044,184
Restricted for:			
Capital projects	1,427,036	-	1,427,036
Debt service	581,198	-	581,198
Other purposes	4,423	-	4,423
Qualified zone academy bond retirement	3,247,269	-	3,247,269
Unrestricted (deficit)	<u>50,779,010</u>	<u>(2,320,676)</u>	<u>48,458,334</u>
Total net assets (deficit)	\$ <u>82,362,112</u>	\$ <u>(1,599,668)</u>	\$ <u>80,762,444</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, 2007

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Instruction:				
Regular	\$ 35,895,404	\$ 263,099	\$ 4,843,017	\$ -
Special	9,844,902	3,252,614	1,698,848	-
Vocational	1,701,696	6,482	276,976	-
Adult/continuing	270,336	9,397	290,714	-
Other	2,728,650	-	-	-
Support services:				
Pupil	9,342,399	-	249,832	-
Instructional staff	5,271,776	-	3,300	-
Board of education	484,231	-	-	-
Administration	6,281,020	10,847	21,633	-
Fiscal	2,177,550	-	-	-
Business	2,299,809	-	-	-
Operations and maintenance of plant	10,444,810	-	29,821	46,513
Pupil transportation	3,909,255	75,075	-	-
Central	2,874,077	-	42,000	-
Operation of non-instructional services:				
Community services	2,467,145	-	1,932,606	-
Extracurricular activities	1,524,317	92,616	-	-
Interest and fiscal charges	673,878	-	-	-
Total governmental activities	<u>98,191,255</u>	<u>3,710,130</u>	<u>9,388,747</u>	<u>46,513</u>
Business-type activities:				
Food service	2,248,241	650,639	248,774	-
Uniform school supplies	65,933	60,424	-	-
Customer services	12,347	3,359	-	-
Community services/early childhood	739,277	617,183	-	-
Bellefaire general rotary	2,892,502	2,007,314	-	-
Total business-type activities	<u>5,958,300</u>	<u>3,338,919</u>	<u>248,774</u>	<u>-</u>
Totals	\$ <u>104,149,555</u>	\$ <u>7,049,049</u>	\$ <u>9,637,521</u>	\$ <u>46,513</u>

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

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

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
\$ (30,789,288)	\$ -	\$ (30,789,288)
(4,893,440)	-	(4,893,440)
(1,418,238)	-	(1,418,238)
29,775	-	29,775
(2,728,650)	-	(2,728,650)
(9,092,567)	-	(9,092,567)
(5,268,476)	-	(5,268,476)
(484,231)	-	(484,231)
(6,248,540)	-	(6,248,540)
(2,177,550)	-	(2,177,550)
(2,299,809)	-	(2,299,809)
(10,368,476)	-	(10,368,476)
(3,834,180)	-	(3,834,180)
(2,832,077)	-	(2,832,077)
(534,539)	-	(534,539)
(1,431,701)	-	(1,431,701)
(673,878)	-	(673,878)
<u>(85,045,865)</u>	<u>-</u>	<u>(85,045,865)</u>
-	(1,348,828)	(1,348,828)
-	(5,509)	(5,509)
-	(8,988)	(8,988)
-	(122,094)	(122,094)
-	(885,188)	(885,188)
<u>-</u>	<u>(2,370,607)</u>	<u>(2,370,607)</u>
<u>(85,045,865)</u>	<u>(2,370,607)</u>	<u>(87,416,472)</u>
57,086,358	-	57,086,358
741,683	-	741,683
3,131,163	-	3,131,163
23,469,550	1,208,521	24,678,071
2,322,959	-	2,322,959
<u>856,666</u>	<u>-</u>	<u>856,666</u>
87,608,379	1,208,521	88,816,900
<u>(2,585)</u>	<u>2,585</u>	<u>-</u>
<u>87,605,794</u>	<u>1,211,106</u>	<u>88,816,900</u>
2,559,929	(1,159,501)	1,400,428
<u>79,802,183</u>	<u>(440,167)</u>	<u>79,362,016</u>
\$ <u>82,362,112</u>	\$ <u>(1,599,668)</u>	\$ <u>80,762,444</u>

Cleveland Heights-University Heights City School District

Balance Sheet - Governmental Funds

June 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 25,548,226	\$ 221,590	\$ 330,093	\$ 1,574,174	\$ 27,674,083
Accounts receivable	115,731	-	-	6,036	121,767
Intergovernmental receivable	2,385,404	-	-	1,611,011	3,996,415
Interfund receivable	7,091,709	-	-	-	7,091,709
Materials and supplies inventory	323,456	-	-	-	323,456
Taxes receivable	64,948,565	749,160	3,607,682	-	69,305,407
Restricted cash and investments	<u>676,310</u>	<u>-</u>	<u>3,247,269</u>	<u>-</u>	<u>3,923,579</u>
Total assets	<u>\$ 101,089,401</u>	<u>\$ 970,750</u>	<u>\$ 7,185,044</u>	<u>\$ 3,191,221</u>	<u>\$ 112,436,416</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 580,243	\$ -	\$ 333,512	\$ 262,185	\$ 1,175,940
Accrued wages and benefits	1,271,596	-	-	59,753	1,331,349
Interfund payable	-	-	49,704	1,234,397	1,284,101
Matured compensated absences	416,079	-	-	4,653	420,732
Intergovernmental payable	2,177,879	-	-	130,230	2,308,109
Deferred revenue	<u>40,571,014</u>	<u>389,552</u>	<u>2,117,263</u>	<u>1,568,458</u>	<u>44,646,287</u>
Total liabilities	<u>45,016,811</u>	<u>389,552</u>	<u>2,500,479</u>	<u>3,259,676</u>	<u>51,166,518</u>
Fund balances:					
Reserved for encumbrances	1,902,877	-	239,412	648,423	2,790,712
Reserved for inventory	323,456	-	-	-	323,456
Reserved for property taxes	25,384,973	359,608	1,490,419	-	27,235,000
Reserved for debt	-	221,590	-	-	221,590
Reserve for textbooks	676,310	-	-	-	676,310
Unreserved; undesignated for:					
General fund	27,784,974	-	-	-	27,784,974
Special revenue funds	-	-	-	(719,527)	(719,527)
Capital projects funds	<u>-</u>	<u>-</u>	<u>2,954,734</u>	<u>2,649</u>	<u>2,957,383</u>
Total fund balances	<u>56,072,590</u>	<u>581,198</u>	<u>4,684,565</u>	<u>(68,455)</u>	<u>61,269,898</u>
Total liabilities and fund balances	<u>\$ 101,089,401</u>	<u>\$ 970,750</u>	<u>\$ 7,185,044</u>	<u>\$ 3,191,221</u>	<u>\$ 112,436,416</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, 2007

Total governmental funds balances \$ 61,269,898

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. 36,563,053

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

Property and other taxes	\$ 5,537,645	
Tuition	1,039,154	
Grants	<u>1,568,458</u>	
Total		8,145,257

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. 1,406,277

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

General obligation debt	(8,371,619)	
Energy Conservation Bonds	(4,485,000)	
Qualified Zone Academy Bonds	(5,500,000)	
Capital leases	(254,877)	
Accrued interest payable	(45,364)	
Compensated absences	<u>(6,365,513)</u>	
Total		<u>(25,022,373)</u>

Net assets of governmental activities \$ 82,362,112

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, 2007

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 58,560,787	\$ 754,540	\$ 3,209,812	\$ -	\$ 62,525,139
Intergovernmental	25,368,189	68,529	372,465	10,100,324	35,909,507
Tuition and fees	1,691,244	-	-	-	1,691,244
Earnings on investments	2,155,020	-	118,464	49,475	2,322,959
Extracurricular activities	-	-	-	221,068	221,068
Classroom materials and fees	-	-	-	31,683	31,683
Miscellaneous	<u>670,350</u>	<u>-</u>	<u>46,513</u>	<u>361,976</u>	<u>1,078,839</u>
Total revenues	<u>88,445,590</u>	<u>823,069</u>	<u>3,747,254</u>	<u>10,764,526</u>	<u>103,780,439</u>
Expenditures:					
Current:					
Instruction:					
Regular	31,638,613	-	-	4,577,416	36,216,029
Special	8,451,964	-	-	1,275,194	9,727,158
Vocational	1,503,598	-	-	178,297	1,681,895
Adult/continuing	4,147	-	-	259,407	263,554
Other instruction	2,728,650	-	-	-	2,728,650
Support services:					
Pupil	7,744,500	-	-	1,652,566	9,397,066
Instructional staff	4,056,893	-	-	1,118,391	5,175,284
Board of education	484,231	-	-	-	484,231
Administration	5,670,396	-	-	574,783	6,245,179
Fiscal	2,186,609	-	-	-	2,186,609
Business	2,271,198	-	-	-	2,271,198
Operations and maintenance of plant	10,227,272	-	-	2,884	10,230,156
Pupil transportation	3,710,544	-	-	42,767	3,753,311
Central	2,632,993	-	-	228,108	2,861,101
Operation of non-instructional services:					
Community services	11,355	-	-	2,348,586	2,359,941
Other non-instructional services	96,664	-	-	-	96,664
Extracurricular activities	1,129,566	-	-	397,008	1,526,574
Capital Outlay	-	-	4,131,158	1,110	4,132,268
Debt services:					
Principal	-	838,371	259,296	-	1,097,667
Interest and fiscal charges	<u>-</u>	<u>661,343</u>	<u>14,975</u>	<u>-</u>	<u>676,318</u>
Total expenditures	<u>84,549,193</u>	<u>1,499,714</u>	<u>4,405,429</u>	<u>12,656,517</u>	<u>103,110,853</u>
Excess of revenues over (under) expenditures	<u>3,896,397</u>	<u>(676,645)</u>	<u>(658,175)</u>	<u>(1,891,991)</u>	<u>669,586</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, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):					
Transfers - in	-	683,102	-	656,309	1,339,411
Transfers - out	<u>(658,894)</u>	<u>-</u>	<u>(683,102)</u>	<u>-</u>	<u>(1,341,996)</u>
Total other financing sources (uses)	<u>(658,894)</u>	<u>683,102</u>	<u>(683,102)</u>	<u>656,309</u>	<u>(2,585)</u>
Net change in fund balance	3,237,503	6,457	(1,341,277)	(1,235,682)	667,001
Fund balance at beginning of year	<u>52,835,087</u>	<u>574,741</u>	<u>6,025,842</u>	<u>1,167,227</u>	<u>60,602,897</u>
Fund balance at end of year	\$ <u><u>56,072,590</u></u>	\$ <u><u>581,198</u></u>	\$ <u><u>4,684,565</u></u>	\$ <u><u>(68,455)</u></u>	\$ <u><u>61,269,898</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, 2007

Net change in fund balances - total governmental funds \$ 667,001

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

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

Capital outlay	\$	4,269,996	
Depreciation		<u>(1,032,367)</u>	
Total			3,237,629

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

Delinquent property and other taxes		(1,565,935)	
Tuition		(753,096)	
Intergovernmental		<u>(707,639)</u>	
Total			(3,026,670)

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. (76,157)

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 1,097,667

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		658,019	
Accrued interest		<u>2,440</u>	
Total			<u>660,459</u>

Change in net assets of governmental activities \$ 2,559,929

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 61,750,000	\$ 61,750,000	\$ 61,067,238	\$ (682,762)
Intergovernmental	27,575,000	24,825,000	25,351,137	526,137
Tuition and fees	1,356,000	1,356,000	344,995	(1,011,005)
Earnings on investments	1,000,000	2,155,020	2,155,020	-
Miscellaneous	75,000	228,447	657,773	429,326
Total revenues	<u>91,756,000</u>	<u>90,314,467</u>	<u>89,576,163</u>	<u>(738,304)</u>
Expenditures:				
Current:				
Instruction:				
Regular	36,829,690	35,922,955	31,517,792	4,405,163
Special	8,280,514	8,361,691	8,264,554	97,137
Vocational	1,524,825	1,421,314	1,419,684	1,630
Adult/continuing	-	4,147	4,147	-
Other	3,147,839	3,285,253	2,784,242	501,011
Support services:				
Pupil	7,572,637	8,108,745	7,500,101	608,644
Instructional staff	4,834,355	4,926,049	4,527,572	398,477
Board of education	613,550	613,550	482,043	131,507
Administration	5,593,626	5,730,197	5,755,380	(25,183)
Fiscal services	2,057,926	2,199,281	2,180,760	18,521
Business	2,363,398	2,494,730	2,494,730	-
Operation and maintenance of plant	11,665,835	11,383,842	11,211,173	172,669
Pupil transportation	3,208,774	3,765,176	3,763,690	1,486
Central services	2,709,488	2,844,887	2,722,102	122,785
Operation of non-instructional services:				
Community services	26,497	15,692	11,355	4,337
Other non-instructional services	94,823	95,666	94,891	775
Extracurricular activities:				
Academic and subject oriented	215,118	271,219	271,219	-
Occupation oriented	7,272	6,497	4,843	1,654
Sports oriented	531,070	713,351	713,351	-
Co-curricular activities	64,122	74,981	74,981	-
Total expenditures	<u>91,341,359</u>	<u>92,239,223</u>	<u>85,798,610</u>	<u>6,440,613</u>
Excess of revenues over (under) expenditures	<u>414,641</u>	<u>(1,924,756)</u>	<u>3,777,553</u>	<u>5,702,309</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Advances - in	2,500,000	1,691,214	1,691,214	-
Transfers - out	(400,000)	(717,320)	(658,894)	58,426
Advances - out	<u>(500,000)</u>	<u>(1,348,983)</u>	<u>(1,348,983)</u>	-
Total other financing sources (uses)	<u>1,600,000</u>	<u>(375,089)</u>	<u>(316,663)</u>	<u>58,426</u>
Net change in fund balance	2,014,641	(2,299,845)	3,460,890	5,760,735
Fund balance beginning of year	17,293,781	17,293,781	17,293,781	-
Prior year encumbrances appropriated	<u>3,294,982</u>	<u>3,294,982</u>	<u>3,294,982</u>	-
Fund balance end of year	\$ <u>22,603,404</u>	\$ <u>18,288,918</u>	\$ <u>24,049,653</u>	\$ <u>5,760,735</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, 2007

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Non-Major	Total	Activities
	General			Enterprise
	Rotary			Service
				Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 134,921	\$ 181,198	\$ 316,119	\$ 3,405,018
Accounts receivable	-	3,025	3,025	-
Prepaid items	-	-	-	208,205
Intergovernmental receivable	3,520,936	190,761	3,711,697	-
Materials and supplies inventories	-	6,472	6,472	-
Inventory held for resale	-	11,400	11,400	-
Total current assets	<u>3,655,857</u>	<u>392,856</u>	<u>4,048,713</u>	<u>3,613,223</u>
Non-current assets:				
Capital assets, net of depreciation	<u>22,884</u>	<u>698,124</u>	<u>721,008</u>	<u>-</u>
Total assets	<u>3,678,741</u>	<u>1,090,980</u>	<u>4,769,721</u>	<u>3,613,223</u>
Liabilities:				
Current liabilities:				
Accounts payable	38,234	-	38,234	-
Accrued wages and benefits	24,000	62,110	86,110	912
Interfund payable	4,627,960	1,179,648	5,807,608	-
Intergovernmental payable	14,312	128,573	142,885	518,634
Claims payable	-	-	-	1,687,400
Current portion of accrued compensated absences	<u>66,692</u>	<u>13,797</u>	<u>80,489</u>	<u>-</u>
Total current liabilities	<u>4,771,198</u>	<u>1,384,128</u>	<u>6,155,326</u>	<u>2,206,946</u>
Non-current liabilities:				
Accrued compensated absences	<u>160,569</u>	<u>53,494</u>	<u>214,063</u>	<u>-</u>
Total liabilities	<u>4,931,767</u>	<u>1,437,622</u>	<u>6,369,389</u>	<u>2,206,946</u>
Net assets:				
Invested in capital assets	22,884	698,124	721,008	-
Unrestricted (deficit)	<u>(1,275,910)</u>	<u>(1,044,766)</u>	<u>(2,320,676)</u>	<u>1,406,277</u>
Total net assets (deficit)	<u>\$ (1,253,026)</u>	<u>\$ (346,642)</u>	<u>\$ (1,599,668)</u>	<u>\$ 1,406,277</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, 2007

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Non-Major	Total	Activities
	General Rotary	Enterprise		Internal Service Funds
Operating revenues:				
Intergovernmental	\$ -	\$ 248,774	\$ 248,774	\$ -
Tuition and fees	2,007,314	617,183	2,624,497	-
Charges for services	-	-	-	1,002,070
Classroom materials and fees	-	45,826	45,826	-
Food services	-	650,639	650,639	-
Claims	-	-	-	19,641,890
Miscellaneous	-	17,957	17,957	-
Total operating revenues	<u>2,007,314</u>	<u>1,580,379</u>	<u>3,587,693</u>	<u>20,643,960</u>
Operating expenses:				
Salaries and wages	1,700,222	1,267,547	2,967,769	38,842
Fringe benefits	666,255	662,857	1,329,112	20,609,721
Contractual services	482,645	18,216	500,861	71,554
Supplies and materials	37,592	1,087,141	1,124,733	-
Capital outlay	2,690	-	2,690	-
Depreciation	3,098	30,037	33,135	-
Total operating expenses	<u>2,892,502</u>	<u>3,065,798</u>	<u>5,958,300</u>	<u>20,720,117</u>
Operating loss	<u>(885,188)</u>	<u>(1,485,419)</u>	<u>(2,370,607)</u>	<u>(76,157)</u>
Non-operating revenues:				
Federal donated commodities	-	101,395	101,395	-
Operating grants	-	1,107,126	1,107,126	-
Total non-operating revenues (expenses)	<u>-</u>	<u>1,208,521</u>	<u>1,208,521</u>	<u>-</u>
Loss before transfers	(885,188)	(276,898)	(1,162,086)	(76,157)
Transfers - in	<u>-</u>	<u>2,585</u>	<u>2,585</u>	<u>-</u>
Net loss	(885,188)	(274,313)	(1,159,501)	(76,157)
Total net assets (deficit) at beginning of year	<u>(367,838)</u>	<u>(72,329)</u>	<u>(440,167)</u>	<u>1,482,434</u>
Total net assets (deficit) at end of year	\$ <u>(1,253,026)</u>	\$ <u>(346,642)</u>	\$ <u>(1,599,668)</u>	\$ <u>1,406,277</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

June 30, 2007

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Non-Major	Total	Internal
	General			Enterprise
	Rotary			Funds
Increase (decrease) in cash and cash equivalents:				
Cash flows from operating activities:				
Cash received from customers	\$ 1,056,969	\$ 1,368,636	\$ 2,425,605	\$ 19,646,709
Cash received from claims	-	-	-	1,002,070
Cash received from other operating sources	-	17,957	17,957	-
Cash payments for materials and supplies	(37,592)	(981,420)	(1,019,012)	-
Cash payments for goods and services	(447,101)	(29,586)	(476,687)	(71,554)
Cash payments to employees for services	(1,704,279)	(1,256,658)	(2,960,937)	(38,365)
Cash payments for employee benefits	(655,990)	(591,243)	(1,247,233)	-
Cash payments for claims	-	-	-	(21,305,004)
<i>Net cash used for operating activities</i>	<u>(1,787,993)</u>	<u>(1,472,314)</u>	<u>(3,260,307)</u>	<u>(766,144)</u>
Cash flows from noncapital financing activities:				
Operating grants received	-	1,417,543	1,417,543	-
Transfers - in	-	2,585	2,585	-
Advances - in	-	96,480	96,480	-
<i>Net cash provided by noncapital financing activities</i>	<u>-</u>	<u>1,516,608</u>	<u>1,516,608</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(1,787,993)	44,294	(1,743,699)	(766,144)
Cash and cash equivalents at beginning of year	<u>1,922,914</u>	<u>136,904</u>	<u>2,059,818</u>	<u>4,171,162</u>
Cash and cash equivalents at end of year	\$ <u><u>134,921</u></u>	\$ <u><u>181,198</u></u>	\$ <u><u>316,119</u></u>	\$ <u><u>3,405,018</u></u>
Non-cash noncapital financing activities:				
Federal donated commodities	\$ <u>-</u>	\$ <u>101,395</u>	\$ <u>101,395</u>	\$ <u>-</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating loss	\$ (885,188)	\$ (1,485,419)	\$ (2,370,607)	\$ (76,157)
Adjustments:				
Depreciation	3,098	30,037	33,135	-
Federal donated commodities	-	101,395	101,395	-
Changes in assets/liabilities:				
Increase (decrease) in accounts receivable	-	(3,025)	(3,025)	4,819
Increase in prepaid items	-	-	-	(42,863)
Increase in intergovernmental receivable	(950,345)	(190,761)	(1,141,106)	-
Decrease in materials and supplies inventories	-	717	717	-
Decrease in inventory held for resale	-	5,436	5,436	-
Increase (decrease) in accounts payable	38,234	(13,197)	25,037	-
Increase in accrued wages and benefits	19,943	52,889	72,832	477
Decrease in accrued compensated absences	(4,220)	(16,246)	(20,466)	-
(Decrease) increase in intergovernmental payable	(9,515)	45,860	36,345	(459,620)
Decrease in claims payable	-	-	-	(192,800)
Total adjustments	<u>(902,805)</u>	<u>13,105</u>	<u>(889,700)</u>	<u>(689,987)</u>
Net cash used for operating activities	\$ <u><u>(1,787,993)</u></u>	\$ <u><u>(1,472,314)</u></u>	\$ <u><u>(3,260,307)</u></u>	\$ <u><u>(766,144)</u></u>

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

Cleveland Heights-University Heights City School District

Statement of Fiduciary Assets and Liabilities - Fiduciary Funds

June 30, 2007

	<u>Student Managed Activity Agency Fund</u>
Assets:	
Equity in pooled cash and investments	\$ <u>82,696</u>
Liabilities:	
Due to students	\$ <u>82,696</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, 2007

Note 1: Description of the School District

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education controls the District's ten instructional/support facilities staffed by 502 classified employees, 592 certificated full-time teaching personnel and approximately 43 administrators who provide services to 6,058 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, St. Louis School and Woodside School. Current State legislation provides funding to these non-public schools. These monies are received and disbursed by the District on behalf of the non-public schools by the Treasurer of the District, as directed by the non-public schools. The activity of these monies by the District is reflected in a special revenue fund for financial reporting purposes.

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

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

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

The District is associated with two organizations which are defined as a jointly governed organization and a related organization. The Ohio School Council Association is a jointly governed organization and the Cleveland Heights-University Heights Library is a related organization. The jointly governed organization is presented in Note 16 and the related organization is presented in Note 20 to the basic financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 2: Summary of Significant Accounting Policies

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

A. Fund Accounting

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

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

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

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

Permanent Improvement Capital Projects 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, 2007

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. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

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 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 6).

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

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, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

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

D. Budgets

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

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 2007, 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 2007. 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, 2007.

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 2007 amounted to \$2,155,020. The amount allocated from the other funds during fiscal year 2007 amounted to \$128,546.

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 17 for additional information regarding set asides and Note 14 for additional information regarding the QZAB.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 2: Summary of Significant Accounting Policies (continued)

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2007, 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, 2007

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, 2007

Note 2: Summary of Significant Accounting Policies (continued)

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2007, net assets restricted by enabling legislation were \$581,198 in the statement of net assets.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for adult 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 uniform school supplies 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 2007, 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, 2007

Note 3: Accountability

The following funds had deficit fund balances/net assets at June 30, 2007:

Special Revenue Funds:

Other Grants	\$ 133,292
Motorcycle Safety Education	1,542
Educational Management Information System	10,633
Public School Preschool Grant	16,426
Ohio Reads	582
Summer School Subsidy	19,312
Alternative School Grant	29,872
Adult Basic Education	24,438
Idea (Flo-Thru)	457,592
Vocational Education	38,633
Title III	15,758
Title V Innovative Program	3,954
Drug Free Schools	5,639
Title II-A Improving Teacher Quality	25,844
Miscellaneous Federal Grants	173,635

Enterprise Funds:

Bellefaire General Rotary	1,253,026
Food Services	808,964

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 4: Budgetary Basis of Accounting

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 4: Budgetary Basis of Accounting (continued)

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

	<u>General</u>
GAAP Basis	\$ 3,237,503
Revenue Accruals	1,130,573
Advances – in	1,691,214
Expenditure Accruals	925,466
Advances – out	(1,348,983)
Encumbrances	<u>(2,174,883)</u>
Budget Basis	<u>\$ 3,460,890</u>

Note 5: 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;

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 5: Deposits and Investments (continued)

3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio)
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Deposits

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

At year-end, the carrying amount of the District's deposits was \$19,502,354 and the bank balance was \$20,576,787. Of the bank balance, \$406,868 was covered by Federal depository insurance and \$20,169,919 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".

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 5: Deposits and Investments (continued)

Investments

Investments are reported as fair value. As of June 30, 2007, the District had the following investments:

	<u>Fair Value</u>	<u>Maturity Date</u>
Repurchase agreements	\$ 10,229,614	July 2007
STAROhio	2,421,171	July 2007
Federal Home Loan Mortgage Corporation	<u>3,244,476</u>	October 2007
Total portfolio	<u>\$ 15,895,261</u>	

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

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

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

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires that no more than twenty-five percent of the District's interim monies shall be invested in either commercial paper notes or bankers' acceptances. The following is the District's allocation as of June 30, 2007:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Chase	2.2%
National City	58.3%
First Merit	3.9%
Federal Home Loan Mortgage Corporation	20.4%
STAROhio	15.2%

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 6: 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 2007 represents collections of calendar year 2006 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, 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 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2005, were levied after April 1, 2006 and are collected in 2007 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 2007 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. 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 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and 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 School 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, 2007, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property, and tangible personal property taxes which are measurable as of June 30, 2007, 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, 2007, was \$25,384,973 in the general fund, \$359,608 in the debt service fund, and \$1,490,419 was available to the permanent improvement capital projects fund.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 6: 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 2007 taxes were collected are:

	2006		2007	
	Second-Half Collections		First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 1,068,833,330	95.45%	\$ 1,218,353,600	97.64%
Public Utility	27,878,630	2.49%	17,706,520	1.42%
Tangible Personal Property	<u>23,111,301</u>	<u>2.06%</u>	<u>11,791,553</u>	<u>0.94%</u>
	\$ <u>1,119,823,261</u>	<u>100.00%</u>	\$ <u>1,247,851,673</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$ 129.98		\$ 129.60	

Note 7: Interfund Transactions

A. Interfund transactions for the year ended June 30, 2007 consisted of the following:

Interfund Receivable	Interfund Payable	Amount
General Fund	Permanent Improvement Fund	\$ 49,704
General Fund	Nonmajor Governmental Funds	1,234,397
General Fund	Bellefaire Enterprise Funds	4,627,960
General Fund	Nonmajor Enterprise Funds	<u>1,179,648</u>
		\$ <u>7,091,709</u>

Interfund balances of \$5,807,608 on the government-wide financial statements are a result of advances for reimbursements due from operations and intrafund balances of \$1,284,101 being eliminated.

B. Interfund transfers for the year ended June 30, 2007, consisted of the following:

	Amount
Transfers from General Fund to:	
Nonmajor Governmental Funds	\$ 656,309
Nonmajor Enterprise Funds	2,585
Transfer from Permanent Improvements Fund to:	
Debt Service Fund	<u>683,102</u>
	\$ <u>1,341,996</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.

Transfers of \$1,339,411 were eliminated since they were within governmental activity. These transfers were made to provide additional resources for current operations.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 8: Receivables

Receivables at June 30, 2007, consisted of taxes, accounts (rent and student fees), tuition, intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>	
Special education - tuition	\$ 2,385,404	
County Auditor champ program	42,552	
Adult basic-education grant	215,716	
Idea (flo thru) grant	472,949	
Carl D. Perkins grant	90,431	
Title III grant	13,572	
Title I grant	40,249	
Title V grant	5,683	
Title IV grant	820	
Early Childhood grant	824	
Title II-A	24,558	
Community learning center grant	53,075	
Learn and Serve America grant	17,382	
Safe Schools grant	503,587	
Smaller Learning Communities grant	<u>129,613</u>	
Total governmental activities		\$ 3,996,415
Enterprise funds:		
Bellefaire general rotary - tuition	3,520,936	
Food services	<u>190,761</u>	
Total enterprise funds		<u>3,711,697</u>
Total intergovernmental receivable		<u>\$ 7,708,112</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 9: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Balance at 6/30/06	Additions	Disposals	Balance at 6/30/07
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>665,503</u>	<u>3,148,030</u>	<u>(73,400)</u>	<u>3,740,133</u>
Total capital assets, not being depreciated	<u>2,647,126</u>	<u>3,148,030</u>	<u>(73,400)</u>	<u>5,721,756</u>
Capital assets, being depreciated:				
Land improvements	3,270,334	226,553	-	3,496,887
Buildings and improvements	38,177,205	565,351	-	38,742,556
Vehicles	3,228,936	182,477	-	3,411,413
Furniture and equipment	<u>2,928,179</u>	<u>220,985</u>	<u>-</u>	<u>3,149,164</u>
Total capital assets, being depreciated	<u>47,604,654</u>	<u>1,195,366</u>	<u>-</u>	<u>48,800,020</u>
Less accumulated depreciation:				
Land improvements	(1,017,213)	(63,021)	-	(1,080,234)
Buildings and Improvements	(12,510,602)	(604,965)	-	(13,115,567)
Vehicles	(1,577,180)	(221,144)	-	(1,798,324)
Furniture and equipment	<u>(1,821,361)</u>	<u>(143,237)</u>	<u>-</u>	<u>(1,964,598)</u>
Total accumulated depreciation	<u>(16,926,356)</u>	<u>(1,032,367)</u>	<u>-</u>	<u>(17,958,723)</u>
Total capital assets being depreciated, net	<u>30,678,298</u>	<u>162,999</u>	<u>-</u>	<u>30,841,297</u>
Governmental activities capital assets, net	\$ <u>33,325,424</u>	\$ <u>3,311,029</u>	\$ <u>(73,400)</u>	\$ <u>36,563,053</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 9: Capital Assets (continued)

	Balance at 6/30/06	Additions	Disposals	Balance at 6/30/07
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	(5,656)	(125)	-	(5,781)
Buildings and improvements	(667,221)	(13,390)	-	(680,611)
Furniture and equipment	(329,434)	(18,025)	-	(347,459)
Vehicles	<u>(3,855)</u>	<u>(1,595)</u>	<u>-</u>	<u>(5,450)</u>
Total accumulated depreciation	<u>(1,006,166)</u>	<u>(33,135)</u>	<u>-</u>	<u>(1,039,301)</u>
Business-type activities capital assets, net	\$ <u>754,143</u>	\$ <u>(33,135)</u>	\$ <u>-</u>	\$ <u>721,008</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 391,804
Special	632
Vocational	17,657
Support services:	
Instructional staff	38,204
Administration	1,675
Fiscal	2,848
Business	27,519
Operations and maintenance of plant	368,058
Pupil transportation	153,877
Central	8,185
Community services	11,719
Extracurricular activities	<u>10,189</u>
	<u>\$ 1,032,367</u>

At the end of fiscal year 2007, the District closed Coventry Elementary School. As of June 30, 2007 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, 2007

Note 10: 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 2007, the District contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible/Limit of Coverage</u>
Indiana Insurance Co.	Liability	\$2,500 (deductible) \$1,000,000 (limit)
Indiana Insurance Co.	Fleet	\$250 comprehensive \$500 collision \$1,000,000 (limit)
Indiana Insurance Co.	Umbrella	\$5,000,000 (limit)
Indiana Insurance Co.	Property and Inland Marine	\$5,000 deductible-boilers
	Boiler and Machinery	\$1,000 deductible-property
	(Travelers)	\$30,000,000 (loss limit)
	Employee Blanket Bond	\$500 deductible \$50,000 limit
Wausau Position and Treasurers'	Bond	\$20,000-\$100,000 limit

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

B. Workers Compensation

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

C. Employee Medical Benefits

The District is self insured for medical, dental, vision and prescription of District employees and their covered dependents. On January 1, 2006, medical coverage switched from premium based to self-insurance. Under the program, the District is obligated for claim payments. Incurred but not reported claims of \$1,687,400 have been accrued in the self insurance internal service fund at June 30, 2007, based on an estimate from a third party administrator. Individual funds are charged for medical expenses based on an estimate of total cost for the District as prepared by the plan administrator, and are recorded as revenues of the Internal Service Fund.

The claims liability of \$1,687,400 reported in the fund at June 30, 2007, 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 2005, 2006, and 2007 are as follows:

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 10: Risk Management (continued)

C. Employee Medical Benefits (continued)

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
June 30, 2005	\$ 128,900	\$ 1,866,844	\$ 1,855,044	\$ 140,700
June 30, 2006	140,700	7,386,534	5,647,034	1,880,200
June 30, 2007	1,880,200	8,882,297	9,075,097	1,687,400

Note 11: Defined Benefit Pension Plans

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-37466 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations, with the remainder being used to fund health care benefits; for fiscal year 2007, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal years 2006 and 2005, 10.57 percent and 9.09 percent, respectively, of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005, were \$1,960,417, \$1,960,467, and \$1,896,139, respectively; 85.45 percent has been contributed for fiscal year 2007 and 100 percent for the fiscal years 2006 and 2005.

B. State Teachers Retirement System

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 11: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

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

DB plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit," the retirement allowance is based on the years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2 percent multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5 percent. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6 percent for 32 years, 2.7 percent for 33 years and so on) until 100 percent of final average salary is reached. For members with 35 or more years of Ohio contributing service the first 30 years will be calculated at 2.5 percent instead of 2.2 percent. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

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

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

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB plan. Death benefit coverage up to \$2,000 can be

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 11: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

purchased by participants in the DB, DC or Combined plans. Various other benefits are available to members' beneficiaries.

For the fiscal years ended June 30, 2007, 2006 and 2005, plan members are required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2007, 2006, and 2005, were \$6,196,493, \$6,226,871, and \$5,934,970, respectively; 95.70 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005.

Note 12: Postemployment Benefits

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

STRS provides access to health care coverage to retirees who participated in the DB or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the Revised Code, STRS has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The Revised Code grants authority to STRS to provide health care coverage to eligible benefit recipients, spouse and dependents. By Ohio law, health care benefits are not guaranteed and the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. STRS allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For the fiscal year ended June 30, 2007, the STRS Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Stabilization Fund. For the District, this amount equaled \$442,607 for fiscal year 2007.

The balance in the Health Care Stabilization Fund was \$3.5 billion on June 30, 2006 (the latest information available). For the year ended June 30, 2006, net health care costs paid by STRS were \$282,743,000 and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 12: Postemployment Benefits (continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.42 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay has been established at \$35,800. For the 2007 fiscal year, the District paid \$764,056 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. As of June 30, 2006 (the latest information available), the value of the health care fund was \$295.6 million, which is about 221% of next year's projected net health costs. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term to provide for a health care reserve equal to at least 150% of estimated annual net claims costs. SERS has approximately 59,492 participants currently receiving health care benefits.

Note 13: 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 fund in which the employees are paid.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 14: Long - Term Liabilities

The changes in the District's long-term obligations during fiscal year 2007 were as follows:

	Principal Outstanding 6/30/06	Additions	Deletions	Principal Outstanding at 6/30/07	Amounts Due in One Year
Governmental Activities:					
1998 \$1,400,000 Energy Conservation Bonds-7.00%	\$ 420,000	\$ -	\$ 140,000	\$ 280,000	\$ 140,000
2003 \$5,800,000 Energy Conservation Bonds-variable	4,750,000	-	545,000	4,205,000	555,000
2002 \$9,499,990 Library Improvement Bonds- variable interest rate	8,524,990	-	153,371	8,371,619	151,748
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital Lease Obligations	514,173	-	259,296	254,877	119,664
Compensated Absences	<u>7,023,532</u>	<u>824,774</u>	<u>1,482,793</u>	<u>6,365,513</u>	<u>427,946</u>
Total Governmental Long-Term Liabilities	\$ <u>26,732,695</u>	\$ <u>824,774</u>	\$ <u>2,580,460</u>	\$ <u>24,977,009</u>	\$ <u>1,394,358</u>
Business-Type Activities:					
Compensated Absences	\$ <u>315,018</u>	\$ <u>55,832</u>	\$ <u>76,298</u>	\$ <u>294,552</u>	\$ <u>80,489</u>

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

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

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

The legal debt margin of the District as of June 30, 2007, was \$98,385,587 with an unvoted debt margin of \$1,229,567.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 14: Long - Term Liabilities (continued)

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2007, are as follows:

	Energy Conservation Bonds			Library Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2008	\$ 695,000	\$ 136,069	\$ 831,069	\$ 151,748	\$ 538,763	\$ 690,511	\$ 1,521,580
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
2013-2017	1,295,000	50,713	1,345,713	1,840,000	1,573,839	3,413,839	4,759,552
2018-2022	-	-	-	2,335,000	1,065,155	3,400,155	3,400,155
2023-2027	-	-	-	2,985,000	397,491	3,382,491	3,382,491
Total	\$ 4,485,000	\$ 540,923	\$ 5,025,923	\$ 8,371,619	\$ 5,259,414	\$ 13,631,033	\$ 18,656,956

Note 15: Lease Obligations

The District has entered into a capital lease for a security system. This lease meets 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 a security system have been capitalized in the amount of \$573,527. These amounts represent the present value of the future minimum lease payments at the time of acquisition, \$585,856 less accumulated depreciation, \$12,329. A corresponding liability is recorded in the government-wide financial statements. Principal payments in the 2007 fiscal year totaled \$259,296. These amounts are reported as program/function expenditures of the general fund and permanent improvement capital projects fund.

The following is a schedule of the future minimum lease payments required under the capital and operating leases and the present value of the future minimum lease payments as of June 30, 2007:

	Capital Leases	Operating Lease
2008	\$ 127,782	\$ 148,204
2009	127,781	138,312
2010	10,648	138,312
Total minimum lease payments	266,211	\$ 424,828
Less: amounts representing interest	(11,334)	
Present value minimum capital lease payment	\$ 254,877	

Rental expense related to operating leases for equipment totaled \$272,627 for the year ended June 30, 2007.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 16: Jointly Governed Organizations

The Ohio Schools' Council Association (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 2007, the District paid \$6,430 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 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, 2007

Note 17: 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, 2006	\$ 594,680	\$ -
Current Year Set-Aside Requirements	973,698	973,698
Qualifying Disbursements	<u>(892,068)</u>	<u>(10,914,284)</u>
Total	\$ <u>676,310</u>	\$ <u>(9,940,586)</u>
Set-Aside Balances Carried		
Forward to Future Years	\$ <u>676,310</u>	\$ <u>-</u>
Set-Aside Reserve Balance as of June 30, 2007	\$ <u>676,310</u>	\$ <u>-</u>

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

Note 18: Contractual Commitments

At June 30, 2007, the District's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Small Schools improvements and renovations	\$ 2,384,894	\$ 2,314,777	\$ 70,117
Gearity School improvements and renovations	750,613	697,132	53,481
Media center improvements	<u>85,000</u>	<u>36,199</u>	<u>48,801</u>
Total	\$ <u>3,220,507</u>	\$ <u>3,048,108</u>	\$ <u>172,399</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2007

Note 19: Contingencies

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2007.

B. Litigation

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

Note 20: 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



ALEXANDRA HARPER
Grade 4, Noble Elementary



CHARDAY BROWN
Kindergarten, Noble Elementary



MYIAH MATLOCK
Grade 3, Noble Elementary



AVA PRITTS
Grade 4, Canterbury Elementary



BRIAN PINKLEY
Grade 3, Canterbury Elementary



ADAM SMITH
Grade 1, Canterbury Elementary



MELANIE GRAHAM
Grade 1, Canterbury Elementary



ASIAH MASSEY
Grade 2, Noble Elementary



Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds Fund Descriptions

June 30, 2007

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Governmental Funds Fund Descriptions

June 30, 2007

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, 2007

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, 2007

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 1,571,525	\$ 2,649	\$ 1,574,174
Accounts receivable	6,036	-	6,036
Intergovernmental receivable	<u>1,611,011</u>	<u>-</u>	<u>1,611,011</u>
Total assets	<u>\$ 3,188,572</u>	<u>\$ 2,649</u>	<u>\$ 3,191,221</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 262,185	\$ -	\$ 262,185
Accrued wages and benefits	59,753	-	59,753
Interfund payable	1,234,397	-	1,234,397
Matured compensated absences	4,653	-	4,653
Intergovernmental payable	130,230	-	130,230
Deferred revenue	<u>1,568,458</u>	<u>-</u>	<u>1,568,458</u>
Total liabilities	<u>3,259,676</u>	<u>-</u>	<u>3,259,676</u>
Fund balances:			
Reserve for encumbrances	648,423	-	648,423
Unreserved; undesignated (deficit)	<u>(719,527)</u>	<u>2,649</u>	<u>(716,878)</u>
Total fund balances (deficit)	<u>(71,104)</u>	<u>2,649</u>	<u>(68,455)</u>
Total liabilities and fund balances	<u>\$ 3,188,572</u>	<u>\$ 2,649</u>	<u>\$ 3,191,221</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, 2007

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 10,100,324	\$ -	\$ 10,100,324
Earnings on investments	49,475	-	49,475
Extracurricular activities	221,068	-	221,068
Classroom materials and fees	31,683	-	31,683
Miscellaneous	<u>361,976</u>	<u>-</u>	<u>361,976</u>
Total revenues	<u>10,764,526</u>	<u>-</u>	<u>10,764,526</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,577,416	-	4,577,416
Special	1,275,194	-	1,275,194
Vocational	178,297	-	178,297
Adult/continuing	259,407	-	259,407
Support services:			
Pupil	1,642,306	10,260	1,652,566
Instructional staff	1,118,391	-	1,118,391
Administration	574,783	-	574,783
Operations and maintenance of plant	2,884	-	2,884
Pupil transportation	42,767	-	42,767
Central	228,108	-	228,108
Operation of non-instructional services:			
Community services	2,348,586	-	2,348,586
Extracurricular activities	397,008	-	397,008
Capital outlay	<u>1,110</u>	<u>-</u>	<u>1,110</u>
Total expenditures	<u>12,646,257</u>	<u>10,260</u>	<u>12,656,517</u>
Excess of revenues over (under) expenditures	(1,881,731)	(10,260)	(1,891,991)
Other financing sources (uses):			
Transfers - in	<u>656,309</u>	<u>-</u>	<u>656,309</u>
Net change in fund balance	(1,225,422)	(10,260)	(1,235,682)
Fund balance at beginning of year	<u>1,154,318</u>	<u>12,909</u>	<u>1,167,227</u>
Fund balance (deficit) at end of year	\$ <u>(71,104)</u>	\$ <u>2,649</u>	\$ <u>(68,455)</u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2007

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Venture Capital - Boulevard</u>	<u>District Managed Activity</u>
Assets:					
Equity in pooled cash and cash investments	\$ 352,231	\$ 63,922	\$ 48,190	\$ 58	\$ 64,704
Accounts receivable	-	6,036	-	-	-
Intergovernmental receivable	-	-	42,553	-	-
Total assets	<u>\$ 352,231</u>	<u>\$ 69,958</u>	<u>\$ 90,743</u>	<u>\$ 58</u>	<u>\$ 64,704</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	487	693	-	95
Interfund payable	-	-	221,353	-	-
Matured compensated absences	-	-	-	-	-
Intergovernmental payable	-	1,399	1,989	-	272
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,886</u>	<u>224,035</u>	<u>-</u>	<u>367</u>
Fund balances:					
Reserve for encumbrances	-	20,712	46,886	-	2,433
Unreserved; undesignated (deficit)	<u>352,231</u>	<u>47,360</u>	<u>(180,178)</u>	<u>58</u>	<u>61,904</u>
Total fund balances (deficit)	<u>352,231</u>	<u>68,072</u>	<u>(133,292)</u>	<u>58</u>	<u>64,337</u>
Total liabilities and fund balances	<u>\$ 352,231</u>	<u>\$ 69,958</u>	<u>\$ 90,743</u>	<u>\$ 58</u>	<u>\$ 64,704</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>
\$ 373,363	\$ 431	\$ 4,938	\$ 1,670	\$ 43,570	\$ 1,605
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 373,363</u>	<u>\$ 431</u>	<u>\$ 4,938</u>	<u>\$ 1,670</u>	<u>\$ 43,570</u>	<u>\$ 1,605</u>
\$ 66,773	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	4,023	912	-	-
-	-	-	14,566	-	-
2,389	-	-	-	-	-
2,775	1,973	11,548	2,618	-	-
-	-	-	-	-	-
<u>71,937</u>	<u>1,973</u>	<u>15,571</u>	<u>18,096</u>	<u>-</u>	<u>-</u>
193,235	-	-	1,670	-	368
<u>108,191</u>	<u>(1,542)</u>	<u>(10,633)</u>	<u>(18,096)</u>	<u>43,570</u>	<u>1,237</u>
<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>\$ 373,363</u>	<u>\$ 431</u>	<u>\$ 4,938</u>	<u>\$ 1,670</u>	<u>\$ 43,570</u>	<u>\$ 1,605</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2007

	<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 cash investments	\$ 1,602	\$ 14,461	\$ -	\$ 2,176	\$ -
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ 1,602</u>	<u>\$ 14,461</u>	<u>\$ -</u>	<u>\$ 2,176</u>	<u>\$ -</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Interfund payable	-	15,043	19,312	-	-
Matured compensated absences	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>15,043</u>	<u>19,312</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserve for encumbrances	-	14,461	-	-	-
Unreserved; undesignated (deficit)	<u>1,602</u>	<u>(15,043)</u>	<u>(19,312)</u>	<u>2,176</u>	<u>-</u>
Total fund balances (deficit)	<u>1,602</u>	<u>(582)</u>	<u>(19,312)</u>	<u>2,176</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,602</u>	<u>\$ 14,461</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	\$ 16,839	\$ 5,130	\$ 357,069	\$ 14,146
-	-	-	-	-	-
-	-	-	215,716	472,949	90,431
<u>\$ -</u>	<u>\$ 4,358</u>	<u>\$ 16,839</u>	<u>\$ 220,846</u>	<u>\$ 830,018</u>	<u>\$ 104,577</u>
\$ -	\$ -	\$ -	\$ -	\$ 155,193	\$ 3,376
-	-	-	5,161	17,085	-
29,872	-	-	7,690	585,297	45,811
-	-	-	-	-	-
-	-	-	16,717	57,086	3,592
-	-	-	215,716	472,949	90,431
<u>29,872</u>	<u>-</u>	<u>-</u>	<u>245,284</u>	<u>1,287,610</u>	<u>143,210</u>
-	-	5,118	5,130	208,107	10,692
<u>(29,872)</u>	<u>4,358</u>	<u>11,721</u>	<u>(29,568)</u>	<u>(665,699)</u>	<u>(49,325)</u>
<u>(29,872)</u>	<u>4,358</u>	<u>16,839</u>	<u>(24,438)</u>	<u>(457,592)</u>	<u>(38,633)</u>
<u>\$ -</u>	<u>\$ 4,358</u>	<u>\$ 16,839</u>	<u>\$ 220,846</u>	<u>\$ 830,018</u>	<u>\$ 104,577</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2007

	<u>Title III</u>	<u>Chinese Refugees</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
Assets:				
Equity in pooled cash and cash investments	\$ 9,099	\$ 115	\$ 61,947	\$ 242
Accounts receivable	-	-	-	-
Intergovernmental receivable	<u>13,572</u>	<u>-</u>	<u>40,249</u>	<u>5,683</u>
Total assets	<u>\$ 22,671</u>	<u>\$ 115</u>	<u>\$ 102,196</u>	<u>\$ 5,925</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 8,513	\$ -
Accrued wages and benefits	2,998	-	14,921	-
Interfund payable	13,253	-	-	4,196
Matured compensated absences	-	-	2,264	-
Intergovernmental payable	8,606	-	8,875	-
Deferred revenue	<u>13,572</u>	<u>-</u>	<u>40,249</u>	<u>5,683</u>
Total liabilities	<u>38,429</u>	<u>-</u>	<u>74,822</u>	<u>9,879</u>
Fund balances:				
Reserve for encumbrances	9,097	-	29,730	242
Unreserved; undesignated (deficit)	<u>(24,855)</u>	<u>115</u>	<u>(2,356)</u>	<u>(4,196)</u>
Total fund balances (deficit)	<u>(15,758)</u>	<u>115</u>	<u>27,374</u>	<u>(3,954)</u>
Total liabilities and fund balances	<u>\$ 22,671</u>	<u>\$ 115</u>	<u>\$ 102,196</u>	<u>\$ 5,925</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>
\$ 1,802	\$ 2,285	\$ 18,268	\$ 107,304	\$ 1,571,525
-	-	-	-	6,036
<u>820</u>	<u>824</u>	<u>24,558</u>	<u>703,656</u>	<u>1,611,011</u>
\$ <u><u>2,622</u></u>	\$ <u><u>3,109</u></u>	\$ <u><u>42,826</u></u>	\$ <u><u>810,960</u></u>	\$ <u><u>3,188,572</u></u>
\$ -	\$ -	\$ 1,978	\$ 26,352	\$ 262,185
-	-	-	13,378	59,753
7,441	-	42,134	228,429	1,234,397
-	-	-	-	4,653
-	-	-	12,780	130,230
<u>820</u>	<u>824</u>	<u>24,558</u>	<u>703,656</u>	<u>1,568,458</u>
<u>8,261</u>	<u>824</u>	<u>68,670</u>	<u>984,595</u>	<u>3,259,676</u>
1,802	2,176	12,334	84,230	648,423
<u>(7,441)</u>	<u>109</u>	<u>(38,178)</u>	<u>(257,865)</u>	<u>(719,527)</u>
<u>(5,639)</u>	<u>2,285</u>	<u>(25,844)</u>	<u>(173,635)</u>	<u>(71,104)</u>
\$ <u><u>2,622</u></u>	\$ <u><u>3,109</u></u>	\$ <u><u>42,826</u></u>	\$ <u><u>810,960</u></u>	\$ <u><u>3,188,572</u></u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2007

	Special Trust	Public School Support	Other Grants	Venture Capital - Boulevard	District Managed Activity
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 50,257	\$ -	\$ -
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	134,488	-	-	86,580
Classroom materials and fees	-	31,683	-	-	-
Miscellaneous	<u>59,111</u>	<u>12,935</u>	<u>235,699</u>	<u>-</u>	<u>42,533</u>
Total revenues	<u>59,111</u>	<u>179,106</u>	<u>285,956</u>	<u>-</u>	<u>129,113</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	234,886	100,565	-	-
Special	-	830	-	-	-
Vocational	-	-	4,590	-	-
Adult/continuing	-	-	118,793	-	-
Support services:					
Pupil	1,777	-	7,109	-	-
Instructional staff	418	5,940	5,528	-	-
Administration	-	-	3,022	-	-
Operations and maintenance of plant	-	-	2,884	-	-
Pupil transportation	-	-	1,886	-	-
Central	52,655	-	-	-	-
Operation of non-instructional services:					
Community services	2,200	-	1,000	-	552
Extracurricular activities	2,000	-	-	-	395,008
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>59,050</u>	<u>241,656</u>	<u>245,377</u>	<u>-</u>	<u>395,560</u>
Excess of revenues over (under) expenditures	61	(62,550)	40,579	-	(266,447)
Other financing sources (uses):					
Transfers - in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,000</u>
Net change in fund balance	61	(62,550)	40,579	-	(1,447)
Fund balance (deficit) at beginning of year	<u>352,170</u>	<u>130,622</u>	<u>(173,871)</u>	<u>58</u>	<u>65,784</u>
Fund balance (deficit) at end of year	<u>\$ 352,231</u>	<u>\$ 68,072</u>	<u>\$ (133,292)</u>	<u>\$ 58</u>	<u>\$ 64,337</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>
\$ 1,932,606	\$ -	\$ 21,633	\$ 132,683	\$ 42,000	\$ 3,300
49,475	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,982,081</u>	<u>-</u>	<u>21,633</u>	<u>132,683</u>	<u>42,000</u>	<u>3,300</u>
-	-	-	77,207	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,008
-	502	-	41,255	-	-
-	-	-	19,771	-	-
-	-	-	-	-	-
-	-	-	2,315	-	-
-	-	93,556	-	-	-
2,181,730	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,110	-
<u>2,181,730</u>	<u>502</u>	<u>93,556</u>	<u>140,548</u>	<u>1,110</u>	<u>3,008</u>
(199,649)	(502)	(71,923)	(7,865)	40,890	292
-	-	34,040	-	-	-
(199,649)	(502)	(37,883)	(7,865)	40,890	292
<u>501,075</u>	<u>(1,040)</u>	<u>27,250</u>	<u>(8,561)</u>	<u>2,680</u>	<u>1,313</u>
\$ <u>301,426</u>	\$ <u>(1,542)</u>	\$ <u>(10,633)</u>	\$ <u>(16,426)</u>	\$ <u>43,570</u>	\$ <u>1,605</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, 2007

	<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	\$ -	\$ 59,918	\$ -	\$ -	\$ 3,257,575
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Classroom materials and fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>59,918</u>	<u>-</u>	<u>-</u>	<u>3,257,575</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	32,246	-	-	3,596,036
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	-	-
Support services:					
Pupil	-	4,574	-	138	-
Instructional staff	-	-	-	-	-
Administration	-	13,542	-	-	-
Operations and maintenance of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services:					
Community services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>50,362</u>	<u>-</u>	<u>138</u>	<u>3,596,036</u>
Excess of revenues over (under) expenditures	-	9,556	-	(138)	(338,461)
Other financing sources (uses):					
Transfers - in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,461</u>
Net change in fund balance	-	9,556	-	(138)	-
Fund balance (deficit) at beginning of year	<u>1,602</u>	<u>(10,138)</u>	<u>(19,312)</u>	<u>2,314</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u>1,602</u>	\$ <u>(582)</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>
\$ 157,621	\$ -	\$ 18,463	\$ 265,153	\$ 1,329,200	\$ 276,976
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>157,621</u>	<u>-</u>	<u>18,463</u>	<u>265,153</u>	<u>1,329,200</u>	<u>276,976</u>
-	-	4,694	-	-	-
-	-	14,262	-	552,589	-
-	-	-	-	-	173,707
-	-	-	140,614	-	-
165,927	-	-	-	194,445	86,021
-	-	1,120	112,219	773,870	2,911
-	-	-	-	396,937	15,606
-	-	-	-	-	-
-	-	-	-	25,336	866
-	-	-	-	-	19,940
-	-	-	-	88,033	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>165,927</u>	<u>-</u>	<u>20,076</u>	<u>252,833</u>	<u>2,031,210</u>	<u>299,051</u>
(8,306)	-	(1,613)	12,320	(702,010)	(22,075)
-	-	3,888	-	14,920	-
(8,306)	-	2,275	12,320	(687,090)	(22,075)
<u>(21,566)</u>	<u>4,358</u>	<u>14,564</u>	<u>(36,758)</u>	<u>229,498</u>	<u>(16,558)</u>
\$ <u>(29,872)</u>	\$ <u>4,358</u>	\$ <u>16,839</u>	\$ <u>(24,438)</u>	\$ <u>(457,592)</u>	\$ <u>(38,633)</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, 2007

	<u>Title III</u>	<u>Chinese Refugees</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
Revenues:				
Intergovernmental	\$ 2,708	\$ 5,375	\$ 1,118,144	\$ 12,659
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees	-	-	-	-
Miscellaneous	-	-	11,698	-
Total revenues	<u>2,708</u>	<u>5,375</u>	<u>1,129,842</u>	<u>12,659</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	102,262	-
Special	-	-	707,376	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Support services:				
Pupil	18,492	5,375	60,631	10,304
Instructional staff	-	-	125,675	-
Administration	-	-	80,631	-
Operations and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Community services	-	-	44,230	7,316
Extracurricular activities	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>18,492</u>	<u>5,375</u>	<u>1,120,805</u>	<u>17,620</u>
Excess of revenues over (under) expenditures	(15,784)	-	9,037	(4,961)
Other financing sources (uses):				
Transfers - in	-	-	-	-
Net change in fund balance	(15,784)	-	9,037	(4,961)
Fund balance (deficit) at beginning of year	<u>26</u>	<u>115</u>	<u>18,337</u>	<u>1,007</u>
Fund balance (deficit) at end of year	<u>\$ (15,758)</u>	<u>\$ 115</u>	<u>\$ 27,374</u>	<u>\$ (3,954)</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>
\$ 26,491	\$ 41,282	\$ 258,391	\$ 1,087,889	\$ 10,100,324
-	-	-	-	49,475
-	-	-	-	221,068
-	-	-	-	31,683
-	-	-	-	361,976
<u>26,491</u>	<u>41,282</u>	<u>258,391</u>	<u>1,087,889</u>	<u>10,764,526</u>
1,967	-	277,819	149,734	4,577,416
-	137	-	-	1,275,194
-	-	-	-	178,297
-	-	-	-	259,407
20,363	40,382	-	1,023,760	1,642,306
-	-	18,899	30,054	1,118,391
-	-	-	45,274	574,783
-	-	-	-	2,884
-	-	-	12,364	42,767
-	-	-	61,957	228,108
4,299	-	5,136	14,090	2,348,586
-	-	-	-	397,008
-	-	-	-	1,110
<u>26,629</u>	<u>40,519</u>	<u>301,854</u>	<u>1,337,233</u>	<u>12,646,257</u>
(138)	763	(43,463)	(249,344)	(1,881,731)
-	-	-	-	656,309
(138)	763	(43,463)	(249,344)	(1,225,422)
<u>(5,501)</u>	<u>1,522</u>	<u>17,619</u>	<u>75,709</u>	<u>1,154,318</u>
\$ <u><u>(5,639)</u></u>	\$ <u><u>2,285</u></u>	\$ <u><u>(25,844)</u></u>	\$ <u><u>(173,635)</u></u>	\$ <u><u>(71,104)</u></u>

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



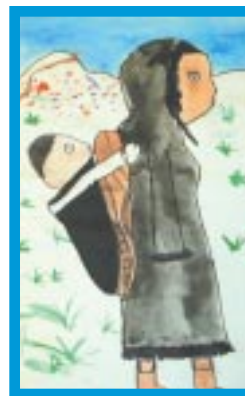
JASMINE TATE
Grade 1, Boulevard Elementary



KYLIA WASHINGTON
Grade 5, Boulevard Elementary



TOMECHIA DEBARDELABEN
Grade 5, Boulevard Elementary



MIRANDA COBLE
*Grade 5
Boulevard Elementary*



MIRIAM BENNETT
Grade 5, Boulevard Elementary



Cleveland Heights-University Heights City School District

General Fund

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

For the Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 61,750,000	\$ 61,750,000	\$ 61,067,238	\$ (682,762)
Intergovernmental	27,575,000	24,825,000	25,351,137	526,137
Tuition and fees	1,356,000	1,356,000	344,995	(1,011,005)
Earnings on investments	1,000,000	2,155,020	2,155,020	-
Miscellaneous	<u>75,000</u>	<u>228,447</u>	<u>657,773</u>	<u>429,326</u>
Total revenues	<u>91,756,000</u>	<u>90,314,467</u>	<u>89,576,163</u>	<u>(738,304)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	26,663,166	25,906,669	22,351,441	3,555,228
Employee benefits	9,246,707	9,246,707	8,523,901	722,806
Purchased services	507,344	262,608	182,461	80,147
Supplies and materials	350,055	332,836	312,301	20,535
Capital outlay	33,432	147,371	124,091	23,280
Other	<u>28,986</u>	<u>26,764</u>	<u>23,597</u>	<u>3,167</u>
Total regular	<u>36,829,690</u>	<u>35,922,955</u>	<u>31,517,792</u>	<u>4,405,163</u>
Special:				
Salaries and wages	5,802,821	5,902,185	5,902,185	-
Employee benefits	2,257,868	2,257,868	2,225,780	32,088
Purchased services	109,674	90,894	72,506	18,388
Supplies and materials	70,913	65,207	42,246	22,961
Capital outlay	35,000	42,751	19,856	22,895
Other	<u>4,238</u>	<u>2,786</u>	<u>1,981</u>	<u>805</u>
Total special	<u>8,280,514</u>	<u>8,361,691</u>	<u>8,264,554</u>	<u>97,137</u>
Vocational:				
Salaries and wages	1,093,621	1,016,678	1,016,678	-
Employee benefits	393,987	368,223	368,223	-
Purchased services	2,100	1,000	647	353
Supplies and materials	29,707	29,957	28,681	1,276
Capital outlay	5,235	5,281	5,280	1
Other	<u>175</u>	<u>175</u>	<u>175</u>	<u>-</u>
Total vocational	<u>1,524,825</u>	<u>1,421,314</u>	<u>1,419,684</u>	<u>1,630</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult/continuing:				
Salaries and wages	-	2,562	2,562	-
Employee benefits	-	1,585	1,585	-
Total adult/continuing	-	4,147	4,147	-
Other instruction:				
Salaries and wages	256,415	318,633	68,741	249,892
Employee benefits	124,930	136,861	17,309	119,552
Purchased services	2,658,151	2,658,251	2,557,632	100,619
Supplies and materials	58,343	121,508	98,512	22,996
Other	50,000	50,000	42,048	7,952
Total other instruction	3,147,839	3,285,253	2,784,242	501,011
Total instruction	49,782,868	48,995,360	43,990,419	5,004,941
Support services:				
Pupil:				
Salaries and wages	5,252,533	5,196,432	5,230,673	(34,241)
Employee benefits	1,881,094	2,351,026	1,843,177	507,849
Purchased services	378,231	469,932	361,581	108,351
Supplies and materials	38,360	68,648	53,139	15,509
Capital outlay	19,819	19,586	9,522	10,064
Other	2,600	3,121	2,009	1,112
Total pupil	7,572,637	8,108,745	7,500,101	608,644
Instructional staff:				
Salaries and wages	2,157,703	2,196,227	2,068,657	127,570
Employee benefits	811,120	811,153	755,767	55,386
Purchased services	156,088	321,545	214,985	106,560
Supplies and materials	1,592,904	1,471,635	1,382,692	88,943
Capital outlay	97,490	91,121	71,103	20,018
Other	19,050	34,368	34,368	-
Total instructional staff	4,834,355	4,926,049	4,527,572	398,477
Board of education:				
Salaries and wages	-	17,125	17,125	-
Employee benefits	147,545	130,420	62,288	68,132
Purchased services	454,535	444,899	386,838	58,061
Supplies and materials	3,000	3,295	1,281	2,014
Other	8,470	17,811	14,511	3,300
Total board of education	613,550	613,550	482,043	131,507

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, 2007

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Administration:				
Salaries and wages	3,456,892	3,457,680	3,579,967	(122,287)
Employee benefits	1,593,433	1,592,842	1,652,862	(60,020)
Purchased services	160,820	272,873	232,884	39,989
Supplies and materials	230,756	271,354	213,544	57,810
Capital outlay	105,083	94,008	40,787	53,221
Other	46,642	41,440	35,336	6,104
Total administration	<u>5,593,626</u>	<u>5,730,197</u>	<u>5,755,380</u>	<u>(25,183)</u>
Fiscal:				
Salaries and wages	525,456	563,942	563,942	-
Employee benefits	308,339	270,606	270,606	-
Purchased services	183,703	118,611	114,575	4,036
Supplies and materials	31,808	35,318	25,572	9,746
Capital outlay	2,400	4,205	1,780	2,425
Other	1,006,220	1,206,599	1,204,285	2,314
Total fiscal	<u>2,057,926</u>	<u>2,199,281</u>	<u>2,180,760</u>	<u>18,521</u>
Business:				
Salaries and wages	259,062	288,027	288,027	-
Employee benefits	135,158	142,486	142,486	-
Purchased services	1,461,712	1,561,247	1,561,247	-
Supplies and materials	107,344	122,831	122,831	-
Capital outlay	96,122	108,121	108,121	-
Other	304,000	272,018	272,018	-
Total business	<u>2,363,398</u>	<u>2,494,730</u>	<u>2,494,730</u>	<u>-</u>
Operations and maintenance of plant:				
Salaries and wages	4,036,915	3,862,101	3,858,130	3,971
Employee benefits	1,995,752	1,995,752	1,978,161	17,591
Purchased services	4,279,945	4,121,616	4,008,225	113,391
Supplies and materials	906,420	899,720	862,018	37,702
Capital outlay	407,718	468,683	468,683	-
Other	39,085	35,970	35,956	14
Total operations and maintenance of plant	<u>11,665,835</u>	<u>11,383,842</u>	<u>11,211,173</u>	<u>172,669</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Salaries and wages	1,537,729	1,588,741	1,588,741	-
Employee benefits	597,589	721,391	721,391	-
Purchased services	471,551	1,037,359	1,037,334	25
Supplies and materials	590,805	341,938	340,477	1,461
Capital outlay	9,000	74,411	74,411	-
Other	2,100	1,336	1,336	-
Total pupil transportation	<u>3,208,774</u>	<u>3,765,176</u>	<u>3,763,690</u>	<u>1,486</u>
Central:				
Salaries and wages	1,101,943	1,130,332	1,130,332	-
Employee benefits	511,222	528,332	528,332	-
Purchased services	762,250	885,336	806,408	78,928
Supplies and materials	117,211	145,717	130,316	15,401
Capital outlay	198,912	136,220	111,523	24,697
Other	17,950	18,950	15,191	3,759
Total central	<u>2,709,488</u>	<u>2,844,887</u>	<u>2,722,102</u>	<u>122,785</u>
Total support services	<u>40,619,589</u>	<u>42,066,457</u>	<u>40,637,551</u>	<u>1,428,906</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	2,600	2,600	-	2,600
Employee benefits	1,000	1,000	-	1,000
Purchased services	20,744	10,156	9,956	200
Supplies and materials	2,153	1,936	1,399	537
Total community services	<u>26,497</u>	<u>15,692</u>	<u>11,355</u>	<u>4,337</u>
Other non-instructional services:				
Salaries and wages	66,018	66,793	66,018	775
Employee benefits	23,519	25,199	25,199	-
Purchased services	2,736	1,697	1,697	-
Supplies and materials	2,250	1,587	1,587	-
Other	300	390	390	-
Total other non-instructional services	<u>94,823</u>	<u>95,666</u>	<u>94,891</u>	<u>775</u>
Total operation of non-instructional services	<u>121,320</u>	<u>111,358</u>	<u>106,246</u>	<u>5,112</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	160,016	234,876	234,876	-
Employee benefits	55,102	36,343	36,343	-
Total academic and subject oriented	215,118	271,219	271,219	-
Occupation oriented:				
Salaries and wages	5,256	5,256	4,176	1,080
Employee benefits	2,016	1,241	667	574
Total occupation oriented	7,272	6,497	4,843	1,654
Sports oriented:				
Salaries and wages	383,086	576,236	576,236	-
Employee benefits	147,984	137,115	137,115	-
Total sports oriented	531,070	713,351	713,351	-
Co-curricular activities:				
Salaries and wages	47,012	65,115	65,115	-
Employee benefits	17,110	9,866	9,866	-
Total co-curricular activities	64,122	74,981	74,981	-
Total extracurricular activities	817,582	1,066,048	1,064,394	1,654
Total expenditures	91,341,359	92,239,223	85,798,610	6,440,613
Excess of revenues over (under) expenditures	414,641	(1,924,756)	3,777,553	5,702,309
Other financing sources (uses):				
Advances - in	2,500,000	1,691,214	1,691,214	-
Transfers - out	(400,000)	(717,320)	(658,894)	58,426
Advances - out	(500,000)	(1,348,983)	(1,348,983)	-
Total other financing sources (uses)	1,600,000	(375,089)	(316,663)	58,426
Net change in fund balance	2,014,641	(2,299,845)	3,460,890	5,760,735
Fund balance at beginning of year	17,293,781	17,293,781	17,293,781	-
Prior year encumbrances appropriated	3,294,982	3,294,982	3,294,982	-
Fund balance at end of year	\$ 22,603,404	\$ 18,288,918	\$ 24,049,653	\$ 5,760,735

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 670,000	\$ 670,000	\$ 694,811	\$ 24,811
Intergovernmental	75,000	75,000	68,529	(6,471)
Total revenues	<u>745,000</u>	<u>745,000</u>	<u>763,340</u>	<u>18,340</u>
Expenditures:				
Debt service:				
Principal	930,000	930,000	950,000	(20,000)
Interest and fiscal charges	<u>600,000</u>	<u>600,000</u>	<u>549,714</u>	<u>50,286</u>
Total expenditures	<u>1,530,000</u>	<u>1,530,000</u>	<u>1,499,714</u>	<u>30,286</u>
Excess of revenues over (under) expenditures	(785,000)	(785,000)	(736,374)	48,626
Other financing sources (uses):				
Transfers - in	<u>850,000</u>	<u>850,000</u>	<u>683,102</u>	<u>(166,898)</u>
Net change in fund balance	65,000	65,000	(53,272)	(118,272)
Fund balance at beginning of year	<u>274,862</u>	<u>274,862</u>	<u>274,862</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>339,862</u></u>	\$ <u><u>339,862</u></u>	\$ <u><u>221,590</u></u>	\$ <u><u>(118,272)</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,400,000	\$ 3,400,000	\$ 3,368,592	\$ (31,408)
Intergovernmental	375,000	375,000	372,465	(2,535)
Miscellaneous	-	46,513	46,513	-
Total revenues	<u>3,775,000</u>	<u>3,821,513</u>	<u>3,787,570</u>	<u>(33,943)</u>
Expenditures:				
Current:				
Support services:				
Operation and maintenance of plant:				
Purchased services	266,288	574,258	563,834	10,424
Supplies and materials	-	67,617	67,617	-
Capital outlay	<u>4,298,444</u>	<u>4,393,381</u>	<u>4,369,963</u>	<u>23,418</u>
Total operation and maintenance of plant	4,564,732	5,035,256	5,001,414	33,842
Capital outlay:				
Site acquisition	<u>30,615</u>	<u>1,629</u>	<u>1,629</u>	<u>-</u>
Total expenditures	<u>4,595,347</u>	<u>5,036,885</u>	<u>5,003,043</u>	<u>33,842</u>
Excess of revenues over (under) expenditures	<u>(820,347)</u>	<u>(1,215,372)</u>	<u>(1,215,473)</u>	<u>(101)</u>
Other financing sources (uses):				
Advances - in	-	49,704	49,704	-
Transfers - out	(953,600)	(683,102)	(683,102)	-
Advances - out	<u>(550,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,503,600)</u>	<u>(1,183,398)</u>	<u>(1,183,398)</u>	<u>-</u>
Net change in fund balance	(2,323,947)	(2,398,770)	(2,398,871)	(101)
Fund balance at beginning of year	26,719	26,719	26,719	-
Prior year encumbrances appropriated	<u>2,397,881</u>	<u>2,397,881</u>	<u>2,397,881</u>	<u>-</u>
Fund balance at end of year	\$ <u>100,653</u>	\$ <u>25,830</u>	\$ <u>25,729</u>	\$ <u>(101)</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$ 2,747	\$ 2,747	\$ -	\$ (2,747)
Miscellaneous	14,106	14,106	59,111	45,005
Total revenues	<u>16,853</u>	<u>16,853</u>	<u>59,111</u>	<u>42,258</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	11,842	11,842	1,777	10,065
Instructional staff:				
Purchased services	118	418	418	-
Central:				
Purchased services	1,636	1,336	52,655	(51,319)
Total support services	<u>13,596</u>	<u>13,596</u>	<u>54,850</u>	<u>(41,254)</u>
Non-instructional services:				
Community services:				
Purchased services	26,091	26,091	-	26,091
Supplies and materials	22,017	22,017	-	22,017
Other	95,016	95,518	2,200	93,318
Total non-instructional services	<u>143,124</u>	<u>143,626</u>	<u>2,200</u>	<u>141,426</u>
Extracurricular activities:				
Other	22,138	22,138	2,000	20,138
Total expenditures	<u>180,662</u>	<u>181,164</u>	<u>59,050</u>	<u>122,114</u>
Net change in fund balance	(163,809)	(164,311)	61	164,372
Fund balance at beginning of year	<u>352,170</u>	<u>352,170</u>	<u>352,170</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>188,361</u></u>	\$ <u><u>187,859</u></u>	\$ <u><u>352,231</u></u>	\$ <u><u>164,372</u></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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ -	\$ 31,671	\$ 31,683	\$ 12
Extracurricular activities	52,837	153,279	128,452	(24,827)
Miscellaneous	41,854	180,064	12,935	(167,129)
Total revenues	<u>94,691</u>	<u>365,014</u>	<u>173,070</u>	<u>(191,944)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	2,500	2,500	-	2,500
Employee benefits	450	450	-	450
Purchased services	25,463	140,180	108,500	31,680
Supplies and materials	30,659	190,199	118,480	71,719
Capital outlay	72	2,701	1,716	985
Other	52,225	57,024	24,240	32,784
Total regular	<u>111,369</u>	<u>393,054</u>	<u>252,936</u>	<u>140,118</u>
Special:				
Supplies and materials	830	830	830	-
Total instruction	<u>112,199</u>	<u>393,884</u>	<u>253,766</u>	<u>140,118</u>
Support services:				
Instructional staff:				
Purchased services	-	725	700	25
Supplies and materials	50	21,061	5,437	15,624
Total instructional staff	<u>50</u>	<u>21,786</u>	<u>6,137</u>	<u>15,649</u>
Business:				
Supplies and materials	580	580	580	-
Total support services	<u>630</u>	<u>22,366</u>	<u>6,717</u>	<u>15,649</u>
Total expenditures	<u>112,829</u>	<u>416,250</u>	<u>260,483</u>	<u>155,767</u>
Net change in fund balance	(18,138)	(51,236)	(87,413)	(36,177)
Fund balance at beginning of year	112,835	112,835	112,835	-
Prior year encumbrances appropriated	17,786	17,786	17,786	-
Fund balance at end of year	\$ <u>112,483</u>	\$ <u>79,385</u>	\$ <u>43,208</u>	\$ <u>(36,177)</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 13,386	\$ 7,704	\$ (5,682)
Miscellaneous	122,852	414,250	355,570	(58,680)
Total revenues	<u>122,852</u>	<u>427,636</u>	<u>363,274</u>	<u>(64,362)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	3,610	3,024	3,024	-
Employee benefits	763	702	589	113
Purchased services	27,346	77,386	77,386	-
Supplies and materials	25,272	28,139	17,808	10,331
Capital outlay	16,082	15,777	12,485	3,292
Other	-	305	305	-
Total regular	<u>73,073</u>	<u>125,333</u>	<u>111,597</u>	<u>13,736</u>
Vocational:				
Salaries and wages	-	3,000	3,000	-
Employee benefits	6	514	514	-
Purchased services	471	1,271	605	666
Supplies and materials	6,691	7,751	1,076	6,675
Total vocational	<u>7,168</u>	<u>12,536</u>	<u>5,195</u>	<u>7,341</u>
Adult/continuing				
Salaries and wages	-	121,881	121,881	-
Employee benefits	-	21,791	21,791	-
Purchased services	-	18,183	18,183	-
Supplies and materials	-	10,275	10,275	-
Capital outlay	-	1,498	1,498	-
Total adult/continuing	<u>-</u>	<u>173,628</u>	<u>173,628</u>	<u>-</u>
Total instruction	<u>80,241</u>	<u>311,497</u>	<u>290,420</u>	<u>21,077</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services:				
Pupil:				
Salaries and wages	72	72	-	72
Employee benefits	13	13	-	13
Purchased services	2,717	2,937	2,019	918
Supplies and materials	13,299	8,684	6,031	2,653
Capital outlay	6,720	1,390	-	1,390
Other	599	649	-	649
Total pupil	<u>23,420</u>	<u>13,745</u>	<u>8,050</u>	<u>5,695</u>
Instructional staff:				
Salaries and wages	-	1,409	561	848
Employee benefits	-	220	73	147
Purchased services	-	9,381	9,381	-
Supplies and materials	185	1,477	1,001	476
Total instructional staff	<u>185</u>	<u>12,487</u>	<u>11,016</u>	<u>1,471</u>
Administration:				
Purchased services	25,121	27,282	23,619	3,663
Supplies and materials	2,255	5,119	2,663	2,456
Total administration	<u>27,376</u>	<u>32,401</u>	<u>26,282</u>	<u>6,119</u>
Operation and maintenance of plant:				
Purchased services	-	1,550	1,550	-
Supplies and materials	1,283	592	592	-
Other	482	1,054	1,054	-
Total operation and maintenance of plant	<u>1,765</u>	<u>3,196</u>	<u>3,196</u>	<u>-</u>
Pupil transportation:				
Purchased services	2,640	1,986	1,986	-
Total support services	<u>55,386</u>	<u>63,815</u>	<u>50,530</u>	<u>13,285</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	-	5,000	5,000	-
Supplies and materials	-	212	-	212
Other	-	34,803	5,247	29,556
Total operation of non-instructional services	-	40,015	10,247	29,768
Total expenditures	135,627	415,327	351,197	64,130
Excess of revenues over (under) expenditures	(12,775)	12,309	12,077	(232)
Other financing sources (uses):				
Advances - in	-	221,353	221,353	-
Advances - out	-	(279,975)	(279,975)	-
Total other financing sources (uses)	-	(58,622)	(58,622)	-
Net change in fund balance	(12,775)	(46,313)	(46,545)	(232)
Fund balance at beginning of year	10,321	10,321	10,321	-
Prior year encumbrances appropriated	37,529	37,529	37,529	-
Fund balance at end of year	\$ 35,075	\$ 1,537	\$ 1,305	\$ (232)

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, 2007

	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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 29,755	\$ 128,177	\$ 86,580	\$ (41,597)
Miscellaneous	24,638	87,630	42,533	(45,097)
Total revenues	<u>54,393</u>	<u>215,807</u>	<u>129,113</u>	<u>(86,694)</u>
Expenditures:				
Current:				
Operations of non-instructional services:				
Community services:				
Supplies and materials	<u>1,500</u>	<u>1,500</u>	<u>552</u>	<u>948</u>
Extracurricular activities:				
Salaries and wages	124,117	4,882	35,593	(30,711)
Employee benefits	20,764	15,502	5,839	9,663
Purchased services	56,815	194,947	157,765	37,182
Supplies and materials	170,677	264,011	196,941	67,070
Capital outlay	<u>11,304</u>	<u>1,040</u>	<u>937</u>	<u>103</u>
Total extracurricular activities	<u>383,677</u>	<u>480,382</u>	<u>397,075</u>	<u>83,307</u>
Total expenditures	<u>385,177</u>	<u>481,882</u>	<u>397,627</u>	<u>84,255</u>
Excess of revenues over (under) expenditures	(330,784)	(266,075)	(268,514)	(2,439)
Other financing sources (uses):				
Transfers - in	<u>265,000</u>	<u>265,000</u>	<u>265,000</u>	<u>-</u>
Net change in fund balance	(65,784)	(1,075)	(3,514)	(2,439)
Fund balance at beginning of year	56,529	56,529	56,529	-
Prior year encumbrances appropriated	<u>9,256</u>	<u>9,256</u>	<u>9,256</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>1</u></u>	\$ <u><u>64,710</u></u>	\$ <u><u>62,271</u></u>	\$ <u><u>(2,439)</u></u>

Cleveland Heights-University Heights City School District

Auxiliary Services Fund

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

For the Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,782,833	\$ 1,833,269	\$ 1,932,606	\$ 99,337
Earnings on investments	29,500	49,475	49,475	-
Total revenues	<u>1,812,333</u>	<u>1,882,744</u>	<u>1,982,081</u>	<u>99,337</u>
Expenditures:				
Operation of non-instructional services:				
Extracurricular activities:				
Salaries and wages	217,627	155,189	163,395	(8,206)
Employee benefits	46,086	47,010	53,597	(6,587)
Purchased services	1,010,603	1,163,426	1,155,786	7,640
Supplies and materials	708,251	731,155	718,245	12,910
Capital outlay	<u>268,199</u>	<u>319,169</u>	<u>319,617</u>	<u>(448)</u>
Total expenditures	<u>2,250,766</u>	<u>2,415,949</u>	<u>2,410,640</u>	<u>5,309</u>
Net change in fund balance	(438,433)	(533,205)	(428,559)	104,646
Fund balance at beginning of year	409,011	409,011	409,011	-
Prior year encumbrances appropriated	<u>133,850</u>	<u>133,850</u>	<u>133,850</u>	-
Fund balance at end of year	\$ <u>104,428</u>	\$ <u>9,656</u>	\$ <u>114,302</u>	\$ <u>104,646</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, 2007

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

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 21,633	\$ 21,633	\$ -
Expenditures:				
Current:				
Support services:				
Central:				
Salaries and wages	-	59,611	59,611	-
Employee benefits	-	28,358	28,357	1
Purchased services	4,000	8,300	5,029	3,271
Supplies and materials	2,500	2,500	834	1,666
Capital outlay	100	-	-	-
Total expenditures	6,600	98,769	93,831	4,938
Excess of revenues over (under) expenditures	(6,600)	(77,136)	(72,198)	4,938
Other financing sources (uses):				
Transfer - in	-	34,040	34,040	-
Net change in fund balance	(6,600)	(43,096)	(38,158)	4,938
Fund balance at beginning of year	43,096	43,096	43,096	-
Fund balance at end of year	\$ 36,496	\$ -	\$ 4,938	\$ 4,938

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 19,059	\$ 165,927	\$ 132,683	\$ (33,244)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	57,681	57,681	-
Employee benefits	-	13,058	13,058	-
Supplies and materials	-	3,658	3,658	-
Total instruction	-	74,397	74,397	-
Support services:				
Instructional staff:				
Salaries and wages	-	27,049	27,049	-
Employee benefits	-	10,900	10,900	-
Purchased services	-	3,306	3,306	-
Supplies and materials	-	950	950	-
Total instructional staff	-	42,205	42,205	-
Administration:				
Salaries and wages	-	14,812	14,812	-
Employee benefits	-	4,959	4,959	-
Total administration	-	19,771	19,771	-
Pupil transportation:				
Purchased services	-	2,315	2,315	-
Total support services	-	64,291	64,291	-
Total expenditures	-	138,688	138,688	-
Excess of revenues over (under) expenditures	19,059	27,239	(6,005)	(33,244)
Other financing sources (uses):				
Advances - in	-	14,566	14,566	-
Advances - out	-	(8,561)	(8,561)	-
Total other financing sources (uses)	-	6,005	6,005	-
Net change in fund balance	19,059	33,244	-	(33,244)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 19,059	\$ 33,244	\$ -	\$ (33,244)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 42,000	\$ 42,000	\$ -
Expenditures:				
Capital outlay:				
Building improvement services:				
Purchased services	4,370	46,370	2,800	43,570
Net change in fund balance	(4,370)	(4,370)	39,200	43,570
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	4,370	4,370	4,370	-
Fund balance at end of year	\$ -	\$ -	\$ 43,570	\$ 43,570

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 3,300	\$ 3,300	\$ -
Expenditures:				
Current:				
Supporting services:				
Pupil:				
Purchased services	778	4,078	3,376	702
Instructional staff:				
Salaries and wages	195	194	-	194
Employee benefits	340	341	-	341
Total instructional staff	535	535	-	535
Total expenditures	1,313	4,613	3,376	1,237
Net change in fund balance	(1,313)	(1,313)	(76)	1,237
Fund balance at beginning of year	1,313	1,313	1,313	-
Fund balance at end of year	\$ -	\$ -	\$ 1,237	\$ 1,237

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, 2007

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

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 40,427	\$ 96,427	\$ 59,918	\$ (36,509)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	6,862	6,862	-
Employee benefits	-	1,216	1,022	194
Purchased services	1,679	10,312	6,611	3,701
Supplies and materials	29,343	45,147	36,179	8,968
Capital outlay	2,790	5,580	5,534	46
Total regular	33,812	69,117	56,208	12,909
Support services:				
Pupil:				
Purchased services	2,625	2,625	-	2,625
Supplies and materials	259	5,333	5,073	260
Total pupil	2,884	7,958	5,073	2,885
Administration:				
Salaries and wages	3,212	14,824	9,709	5,115
Employee benefits	-	2,027	1,833	194
Purchased services	381	2,381	2,000	381
Total administration	3,593	19,232	13,542	5,690
Total support services	6,477	27,190	18,615	8,575
Total expenditures	40,289	96,307	74,823	21,484
Excess of revenues over (under) expenditures	138	120	(14,905)	(15,025)
Other financing sources (uses):				
Advances - in	-	2,885	2,885	-
Advances - out	-	(10,971)	(10,971)	-
Total other financing sources (uses)	-	(8,086)	(8,086)	-
Net change in fund balance	138	(7,966)	(22,991)	(15,025)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	22,991	22,991	22,991	-
Fund balance at end of year	\$ 23,129	\$ 15,025	\$ -	\$ (15,025)

Cleveland Heights-University Heights City School District

Summer School Subsidy Fund

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

For the Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Advances - in	\$ -	\$ 19,312	\$ 19,312	\$ -
Advances - out	-	(19,312)	(19,312)	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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, 2007

	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	3,250	306	138	168
Net change in fund balance	1,745	4,689	(138)	(4,827)
Fund balance at beginning of year	2,314	2,314	2,314	-
Fund balance at end of year	\$ 4,059	\$ 7,003	\$ 2,176	\$ (4,827)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 3,275,000	\$ 3,257,575	\$ (17,425)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	3,615,000	3,596,036	18,964
Excess of revenues over (under) expenditures	-	(340,000)	(338,461)	1,539
Other financing sources (uses):				
Transfers - in	-	340,000	338,461	(1,539)
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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 21,651	\$ 195,564	\$ 157,621	\$ (37,943)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	84	123,310	121,372	1,938
Employee benefits	-	50,687	44,555	6,132
Total expenditures	84	173,997	165,927	8,070
Excess of revenues over (under) expenditures	21,567	21,567	(8,306)	(29,873)
Other financing sources (uses):				
Advances - in	-	29,872	29,872	-
Advances - out	-	(21,566)	(21,566)	-
Total other financing sources (uses)	-	8,306	8,306	-
Net change in fund balance	21,567	29,873	-	(29,873)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 21,567	\$ 29,873	\$ -	\$ (29,873)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	\$ 149	\$ -	\$ -	\$ -
Employee benefits	197	-	-	-
Purchased services	4,000	-	-	-
Supplies and materials	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,358)	-	-	-
Fund balance at beginning of year	<u>4,358</u>	<u>4,358</u>	<u>4,358</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 61,856	\$ 125,737	\$ 18,463	\$ (107,274)
Miscellaneous	14,354	14,354	-	(14,354)
Total revenues	<u>76,210</u>	<u>140,091</u>	<u>18,463</u>	<u>(121,628)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	2,000	-	2,000
Employee benefits	-	844	-	844
Purchased services	-	28,887	9,812	19,075
Total regular	<u>-</u>	<u>31,731</u>	<u>9,812</u>	<u>21,919</u>
Special:				
Purchased services	911	9,900	9,900	-
Supplies and materials	212	4,362	4,362	-
Capital outlay	422	422	-	422
Total special	<u>1,545</u>	<u>14,684</u>	<u>14,262</u>	<u>422</u>
Total instruction	<u>1,545</u>	<u>46,415</u>	<u>24,074</u>	<u>22,341</u>
Support services:				
Pupil:				
Purchased services	<u>13,636</u>	<u>13,636</u>	<u>-</u>	<u>13,636</u>
Instructional staff:				
Salaries and wages	119	4,000	-	4,000
Employee benefits	166	853	-	853
Purchased services	2,850	12,767	560	12,207
Supplies and materials	2,325	3,811	560	3,251
Capital outlay	1,751	1,751	-	1,751
Other	284	-	-	-
Total instructional staff	<u>7,495</u>	<u>23,182</u>	<u>1,120</u>	<u>22,062</u>
Total support services	<u>21,131</u>	<u>36,818</u>	<u>1,120</u>	<u>35,698</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	23,526	26,850	-	26,850
Employee benefits	10,475	10,475	-	10,475
Purchased services	1,860	1,860	-	1,860
Supplies and materials	12,162	12,162	-	12,162
Other	75	75	-	75
Total operation of non-instructional services	<u>48,098</u>	<u>51,422</u>	<u>-</u>	<u>51,422</u>
Total expenditures	<u>70,774</u>	<u>134,655</u>	<u>25,194</u>	<u>109,461</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	5,436	5,436	(6,731)	(12,167)
Other financing sources (uses):				
Transfers - in	-	3,888	3,888	-
Advances - out	-	(33,646)	(33,646)	-
Total other financing sources (uses)	-	(29,758)	(29,758)	-
Net change in fund balance	5,436	(24,322)	(36,489)	(12,167)
Fund balance at beginning of year	48,172	48,172	48,172	-
Prior year encumbrances appropriated	37	37	37	-
Fund balance at end of year	\$ 53,645	\$ 23,887	\$ 11,720	\$ (12,167)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 61,787	\$ 358,467	\$ 290,714	\$ (67,753)
Expenditures:				
Current:				
Instruction:				
Adult/continuing:				
Salaries and wages	5,000	108,994	108,994	-
Employee benefits	7,750	23,481	20,685	2,796
Purchased services	1,452	964	-	964
Supplies and materials	6,385	14,374	8,192	6,182
Total instruction	20,587	147,813	137,871	9,942
Support services:				
Pupil:				
Salaries and wages	5,000	69,513	58,069	11,444
Employee benefits	1,000	37,701	27,824	9,877
Purchased services	4,704	14,873	9,007	5,866
Supplies and materials	1,634	25,258	20,748	4,510
Other	2,496	2,272	739	1,533
Total support services	14,834	149,617	116,387	33,230
Total expenditures	35,421	297,430	254,258	43,172
Excess of revenues over (under) expenditures	26,366	61,037	36,456	(24,581)
Other financing sources (uses):				
Advances - in	-	7,690	7,690	-
Advances - out	-	(45,431)	(45,431)	-
Total other financing sources (uses)	-	(37,741)	(37,741)	-
Net change in fund balance	26,366	23,296	(1,285)	(24,581)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	1,285	1,285	1,285	-
Fund balance at end of year	\$ 27,651	\$ 24,581	\$ -	\$ (24,581)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 86,886	\$ 1,889,035	\$ 1,329,200	\$ (559,835)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	40,013	43,183	43,183	-
Employee benefits	8,700	8,700	8,700	-
Purchased services	36,430	156,058	125,487	30,571
Supplies and materials	56,688	493,125	438,696	54,429
Capital outlay	17,942	74,275	60,400	13,875
Total special	159,773	775,341	676,466	98,875
Support services:				
Pupil:				
Salaries and wages	-	186,437	134,739	51,698
Employee benefits	3,880	85,275	49,203	36,072
Purchased services	1,316	7,316	5,319	1,997
Supplies and materials	5,140	11,140	7,890	3,250
Total pupil	10,336	290,168	197,151	93,017
Instructional staff:				
Salaries and wages	67,599	477,954	422,622	55,332
Employee benefits	184,852	532,833	261,174	271,659
Purchased services	35,182	175,162	171,725	3,437
Supplies and materials	3,200	-	-	-
Total instructional staff	290,833	1,185,949	855,521	330,428
Administration:				
Salaries and wages	-	253,648	251,593	2,055
Employee benefits	5,146	163,326	124,443	38,883
Purchased services	10,218	26,547	11,343	15,204
Supplies and materials	1,900	34,800	3,749	31,051
Capital outlay	679	5,679	4,220	1,459
Total administration	17,943	484,000	395,348	88,652
Pupil transportation:				
Salaries and wages	-	12,063	11,672	391
Employee benefits	10,202	15,524	7,665	7,859
Purchased services	6,138	21,138	14,999	6,139
Total pupil transportation	16,340	48,725	34,336	14,389
Total support services	335,452	2,008,842	1,482,356	526,486

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	6,330	41,419	13,703	27,716
Employee benefits	2,496	13,658	4,795	8,863
Purchased services	58,598	120,266	61,668	58,598
Supplies and materials	600	2,313	1,617	696
Total operation of non-instructional services	<u>68,024</u>	<u>177,656</u>	<u>81,783</u>	<u>95,873</u>
Total expenditures	<u>563,249</u>	<u>2,961,839</u>	<u>2,240,605</u>	<u>721,234</u>
Excess of revenues over (under) expenditures	<u>(476,363)</u>	<u>(1,072,804)</u>	<u>(911,405)</u>	<u>161,399</u>
Other financing sources (uses):				
Transfers - in	315,174	176,300	14,920	(161,380)
Advances - in	-	585,297	585,297	-
Total other financing sources (uses)	<u>315,174</u>	<u>761,597</u>	<u>600,217</u>	<u>(161,380)</u>
Net change in fund balance	(161,189)	(311,207)	(311,188)	19
Fund balance at beginning of year	258,188	258,188	258,188	-
Prior year encumbrances appropriated	<u>53,022</u>	<u>53,022</u>	<u>53,022</u>	-
Fund balance at end of year	\$ <u>150,021</u>	\$ <u>3</u>	\$ <u>22</u>	\$ <u>19</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 59,926	\$ 377,581	\$ 276,976	\$ (100,605)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	-	78,953	80,619	(1,666)
Employee benefits	286	40,427	39,833	594
Purchased services	9,014	38,621	26,950	11,671
Supplies and materials	9,640	19,396	14,620	4,776
Capital outlay	6,016	32,531	26,512	6,019
Total instruction	24,956	209,928	188,534	21,394
Support services:				
Pupil:				
Salaries and wages	103	54,638	56,468	(1,830)
Employee benefits	929	25,470	24,317	1,153
Purchased services	750	750	-	750
Supplies and materials	1,012	8,833	6,995	1,838
Total pupil	2,794	89,691	87,780	1,911
Instructional staff:				
Salaries and wages	-	4,500	2,903	1,597
Employee benefits	-	772	8	764
Total instructional staff	-	5,272	2,911	2,361
Administration:				
Salaries and wages	12,170	27,776	15,606	12,170
Pupil transportation:				
Purchased services	1,333	3,333	1,496	1,837
Central:				
Purchased services	4,217	21,234	16,280	4,954
Supplies and materials	7,313	10,297	1,906	8,391
Other	200	3,110	2,000	1,110
Total central	11,730	34,641	20,186	14,455
Total support services	28,027	160,713	127,979	32,734
Total expenditures	52,983	370,641	316,513	54,128
Excess of revenues over (under) expenditures	6,943	6,940	(39,537)	(46,477)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Advances - in	-	45,811	45,811	-
Advances - out	-	(12,509)	(12,509)	-
Total other financing sources (uses)	-	33,302	33,302	-
Net change in fund balance	6,943	40,242	(6,235)	(46,477)
Fund balance at beginning of year	1	1	1	-
Prior year encumbrances appropriated	6,312	6,312	6,312	-
Fund balance at end of year	\$ 13,256	\$ 46,555	\$ 78	\$ (46,477)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 19,330	\$ 2,708	\$ (16,622)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	-	8,017	1,826	6,191
Employee benefits	-	2,338	1,704	634
Purchased services	-	5,112	4,774	338
Supplies and materials	-	7,808	7,681	127
Total expenditures	-	23,275	15,985	7,290
Excess of revenues over (under) expenditures	-	(3,945)	(13,277)	(9,332)
Other financing sources (uses):				
Transfers - in	-	3,757	-	(3,757)
Advances - in	-	8,939	8,939	-
Total other financing sources (uses)	-	12,696	8,939	(3,757)
Net change in fund balance	-	8,751	(4,338)	(13,089)
Fund balance at beginning of year	4,335	4,335	4,335	-
Prior year encumbrances appropriated	5	5	5	-
Fund balance at end of year	\$ 4,340	\$ 13,091	\$ 2	\$ (13,089)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 5,375	\$ 5,375	\$ -
Expenditures:				
Current:				
Support services:				
Pupil:				
Supplies and materials	115	5,490	5,375	115
Net change in fund balance	(115)	(115)	-	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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 197,025	\$ 1,317,808	\$ 1,245,328	\$ (72,480)
Miscellaneous	-	8,122	11,698	3,576
Total revenues	<u>197,025</u>	<u>1,325,930</u>	<u>1,257,026</u>	<u>(68,904)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	11,308	104,316	92,946	11,370
Supplies and materials	<u>1,865</u>	<u>4,503</u>	<u>2,724</u>	<u>1,779</u>
Total regular	<u>13,173</u>	<u>108,819</u>	<u>95,670</u>	<u>13,149</u>
Special:				
Salaries and wages	1,327	496,416	485,624	10,792
Employee benefits	4,153	181,478	168,364	13,114
Purchased services	342	-	-	-
Supplies and materials	8,486	60,438	50,480	9,958
Capital outlay	-	12,100	10,687	1,413
Total special	<u>14,308</u>	<u>750,432</u>	<u>715,155</u>	<u>35,277</u>
Total instruction	<u>27,481</u>	<u>859,251</u>	<u>810,825</u>	<u>48,426</u>
Support services:				
Pupil:				
Salaries and wages	-	34,020	32,130	1,890
Employee benefits	-	8,151	7,684	467
Purchased services	8,568	25,666	20,849	4,817
Supplies and materials	<u>3,948</u>	<u>10,004</u>	<u>3,320</u>	<u>6,684</u>
Total pupil	<u>12,516</u>	<u>77,841</u>	<u>63,983</u>	<u>13,858</u>
Instructional staff:				
Salaries and wages	3,272	65,860	42,566	23,294
Employee benefits	14,114	28,671	12,500	16,171
Purchased services	-	54,783	54,783	-
Supplies and materials	-	46,205	46,205	-
Total instructional staff	<u>17,386</u>	<u>195,519</u>	<u>156,054</u>	<u>39,465</u>
Administration:				
Salaries and wages	1,532	41,136	39,604	1,532
Employee benefits	771	19,292	19,193	99
Other	6,000	20,133	10,622	9,511
Total administration	<u>8,303</u>	<u>80,561</u>	<u>69,419</u>	<u>11,142</u>
Total support services	<u>38,205</u>	<u>353,921</u>	<u>289,456</u>	<u>64,465</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	-	16,053	16,446	(393)
Employee benefits	-	6,605	5,560	1,045
Purchased services	4,865	22,308	10,675	11,633
Supplies and materials	2,822	2,822	-	2,822
Total operation of non-instructional services	7,687	47,788	32,681	15,107
Total expenditures	73,373	1,260,960	1,132,962	127,998
Excess of revenues over (under) expenditures	123,652	64,970	124,064	59,094
Other financing sources (uses):				
Transfers - in	77,799	130,991	-	(130,991)
Advances - out	-	(141,549)	(141,549)	-
Total other financing sources (uses)	77,799	(10,558)	(141,549)	(130,991)
Net change in fund balance	201,451	54,412	(17,485)	(71,897)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	49,702	49,702	49,702	-
Fund balance at end of year	\$ 251,153	\$ 104,114	\$ 32,217	\$ (71,897)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,710	\$ 22,039	\$ 16,355	\$ (5,684)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	-	6,607	7,355	(748)
Employee benefits	-	2,551	2,949	(398)
Total support services	-	9,158	10,304	(1,146)
Operation of non-instructional services:				
Community services:				
Purchased services	-	3,628	1,911	1,717
Supplies and materials	-	5,076	5,647	(571)
Total operation of non-instructional services	-	8,704	7,558	1,146
Total expenditures	-	17,862	17,862	-
Excess of revenues over (under) expenditures	4,710	4,177	(1,507)	(5,684)
Other financing sources (uses):				
Advances - in	-	887	887	-
Advances - out	-	(1,193)	(1,193)	-
Total other financing sources (uses)	-	(306)	(306)	-
Net change in fund balance	4,710	3,871	(1,813)	(5,684)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	1,813	1,813	1,813	-
Fund balance at end of year	\$ 6,523	\$ 5,684	\$ -	\$ (5,684)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 11,392	\$ 36,841	\$ 26,491	\$ (10,350)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	-	1,752	(1,752)
Employee benefits	621	277	215	62
Total instruction	621	277	1,967	(1,690)
Support services:				
Pupil:				
Salaries and wages	-	15,056	14,399	657
Employee benefits	-	3,134	5,964	(2,830)
Total support services	-	18,190	20,363	(2,173)
Operation of non-instructional services:				
Community services:				
Purchased services	-	6,097	4,266	1,831
Supplies and materials	-	3,867	1,835	2,032
Total operation of non-instructional services	-	9,964	6,101	3,863
Total expenditures	621	28,431	28,431	-
Excess in revenues over (under) expenditures	10,771	8,410	(1,940)	(10,350)
Other financing sources (uses):				
Advances - in	-	7,441	7,441	-
Advances - out	-	(16,722)	(16,722)	-
Total other financing sources (uses)	-	(9,281)	(9,281)	-
Net change in fund balance	10,771	(871)	(11,221)	(10,350)
Fund balance at beginning of year	10,091	10,091	10,091	-
Prior year encumbrances appropriated	1,130	1,130	1,130	-
Fund balance at end of year	\$ 21,992	\$ 10,350	\$ -	\$ (10,350)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 130	\$ 42,106	\$ 41,282	\$ (824)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	1,288	1,788	628	1,160
Employee benefits	602	528	22	506
Supplies and materials	-	2,266	1,719	547
Total instruction	<u>1,890</u>	<u>4,582</u>	<u>2,369</u>	<u>2,213</u>
Support services:				
Pupil:				
Salaries and wages	-	30,049	30,924	(875)
Employee benefits	-	9,969	9,641	328
Purchased services	-	879	-	879
Total support services	<u>-</u>	<u>40,897</u>	<u>40,565</u>	<u>332</u>
Total expenditures	<u>1,890</u>	<u>45,479</u>	<u>42,934</u>	<u>2,545</u>
Excess of revenues over (under) expenditures	(1,760)	(3,373)	(1,652)	1,721
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>1,721</u>	<u>-</u>	<u>(1,721)</u>
Net change in fund balance	(1,760)	(1,652)	(1,652)	-
Fund balance at beginning of year	<u>1,761</u>	<u>1,761</u>	<u>1,761</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>1</u></u>	\$ <u><u>109</u></u>	\$ <u><u>109</u></u>	\$ <u><u>-</u></u>

Cleveland Heights-University Heights City School District

Title IIA - Improving Teacher Quality Fund

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

For the Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 314,728	\$ 258,391	\$ (56,337)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	195,748	195,748	-
Employee benefits	-	71,369	71,369	-
Purchased services	-	19,020	19,020	-
Supplies and materials	-	2,994	2,994	-
Total instruction	-	289,131	289,131	-
Support services:				
Instructional staff:				
Salaries and wages	-	11,514	11,514	-
Employee benefits	-	1,937	1,937	-
Purchased services	-	11,091	6,470	4,621
Supplies and materials	-	7,366	-	7,366
Total support services	-	31,908	19,921	11,987
Operation of non-instructional services:				
Community services:				
Purchased services	-	7,505	4,680	2,825
Supplies and materials	-	773	456	317
Total operation of non-instructional services	-	8,278	5,136	3,142
Total expenditures	-	329,317	314,188	15,129
Excess of revenues over (under) expenditures	-	(14,589)	(55,797)	(41,208)
Other financing sources (uses)				
Advances - in	-	25,202	25,202	-
Net change in fund balance	-	10,613	(30,595)	(41,208)
Fund balance at beginning of year	29,772	29,772	29,772	-
Prior year encumbrances appropriated	4,780	4,780	4,780	-
Fund balance at end of year	\$ 34,552	\$ 45,165	\$ 3,957	\$ (41,208)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,736,113	\$ 2,059,003	\$ 1,488,588	\$ (570,415)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	80,005	87,095	89,309	(2,214)
Employee benefits	19,805	12,806	14,355	(1,549)
Purchased services	1,374	42,331	40,957	1,374
Supplies and materials	189	41,894	41,338	556
Total regular	<u>101,373</u>	<u>184,126</u>	<u>185,959</u>	<u>(1,833)</u>
Support services:				
Pupil:				
Salaries and wages	456,028	623,784	602,783	21,001
Employee benefits	78,556	246,665	187,590	59,075
Purchased services	385,117	266,528	246,810	19,718
Supplies and materials	106,814	19,639	17,056	2,583
Capital outlay	8,119	6,770	6,689	81
Total pupil	<u>1,034,634</u>	<u>1,163,386</u>	<u>1,060,928</u>	<u>102,458</u>
Instructional staff:				
Salaries and wages	4,867	10,867	7,296	3,571
Employee benefits	1,339	2,370	1,191	1,179
Purchased services	5,523	16,831	12,895	3,936
Supplies and materials	4,502	13,324	8,822	4,502
Capital outlay	126	126	-	126
Total instructional staff	<u>16,357</u>	<u>43,518</u>	<u>30,204</u>	<u>13,314</u>
Administration:				
Salaries and wages	-	30,855	30,855	-
Employee benefits	-	13,012	12,873	139
Purchased services	-	750	750	-
Supplies and materials	-	500	500	-
Capital outlay	6,000	3,695	1,498	2,197
Total administration	<u>6,000</u>	<u>48,812</u>	<u>46,476</u>	<u>2,336</u>
Pupil transportation:				
Purchased services	<u>500</u>	<u>15,498</u>	<u>15,498</u>	<u>-</u>

Continued

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund (continued)

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

For the Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	43,722	26,398	26,398	-
Employee benefits	13,485	22,304	9,316	12,988
Purchased services	<u>40,879</u>	<u>384,396</u>	<u>37,282</u>	<u>347,114</u>
Total central	<u>98,086</u>	<u>433,098</u>	<u>72,996</u>	<u>360,102</u>
Total support services	<u>1,155,577</u>	<u>1,704,312</u>	<u>1,226,102</u>	<u>478,210</u>
Operation of non-instructional services:				
Community services:				
Purchased services	730	2,330	1,146	1,184
Supplies and materials	5,698	10,166	992	9,174
Capital outlay	<u>2,092</u>	<u>3,420</u>	<u>534</u>	<u>2,886</u>
Total operation of non-instructional services	<u>8,520</u>	<u>15,916</u>	<u>2,672</u>	<u>13,244</u>
Total expenditures	<u>1,265,470</u>	<u>1,904,354</u>	<u>1,414,733</u>	<u>489,621</u>
Excess of revenues over (under) expenditures	<u>470,643</u>	<u>154,649</u>	<u>73,855</u>	<u>(80,794)</u>
Other financing sources (uses):				
Advances - in	-	233,544	233,544	-
Advances - out	<u>-</u>	<u>(549,779)</u>	<u>(549,779)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(316,235)</u>	<u>(316,235)</u>	<u>-</u>
Net change in fund balance	470,643	(161,586)	(242,380)	(80,794)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>242,380</u>	<u>242,380</u>	<u>242,380</u>	<u>-</u>
Fund balance at end of year	\$ <u>713,023</u>	\$ <u>80,794</u>	\$ <u>-</u>	\$ <u>(80,794)</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support services:				
Pupil:				
Supplies and materials	\$ 5,802	\$ 5,802	\$ 4,408	\$ 1,394
Other	<u>5,837</u>	<u>5,837</u>	<u>5,852</u>	<u>(15)</u>
Total expenditures	<u>11,639</u>	<u>11,639</u>	<u>10,260</u>	<u>1,379</u>
Net change in fund balance	(11,639)	(11,639)	(10,260)	1,379
Fund balance at beginning of year	2,649	2,649	2,649	-
Prior year encumbrances appropriated	<u>10,260</u>	<u>10,260</u>	<u>10,260</u>	-
Fund balance at end of year	\$ <u><u>1,270</u></u>	\$ <u><u>1,270</u></u>	\$ <u><u>2,649</u></u>	\$ <u><u>1,379</u></u>

Cleveland Heights-University Heights City School District

Combining Statements - Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2007

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, 2007

	<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 cash investments	\$ 83,697	\$ 19,440	\$ 17,434	\$ 60,627	\$ 181,198
Accounts receivable	-	-	-	3,025	3,025
Intergovernmental receivable	190,761	-	-	-	190,761
Materials and supplies inventories	6,472	-	-	-	6,472
Inventory held for resale	<u>11,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,400</u>
Total current assets	292,330	19,440	17,434	63,652	392,856
Non-current assets:					
Capital assets, net of depreciation	<u>105,577</u>	<u>-</u>	<u>-</u>	<u>592,547</u>	<u>698,124</u>
Total assets	<u>397,907</u>	<u>19,440</u>	<u>17,434</u>	<u>656,199</u>	<u>1,090,980</u>
Liabilities:					
Current liabilities:					
Accrued wages and benefits	34,921	-	-	27,189	62,110
Interfund payable	1,083,168	-	-	96,480	1,179,648
Intergovernmental payable	53,846	-	-	74,727	128,573
Current portion of accrued compensated absences	<u>11,532</u>	<u>-</u>	<u>-</u>	<u>2,265</u>	<u>13,797</u>
Total current liabilities	1,183,467	-	-	200,661	1,384,128
Non-current liabilities:					
Accrued compensated absences	<u>23,404</u>	<u>-</u>	<u>-</u>	<u>30,090</u>	<u>53,494</u>
Total liabilities	<u>1,206,871</u>	<u>-</u>	<u>-</u>	<u>230,751</u>	<u>1,437,622</u>
Net assets:					
Invested in capital assets	105,577	-	-	592,547	698,124
Unrestricted (deficit)	<u>(914,541)</u>	<u>19,440</u>	<u>17,434</u>	<u>(167,099)</u>	<u>(1,044,766)</u>
Total net assets (deficit)	\$ <u>(808,964)</u>	\$ <u>19,440</u>	\$ <u>17,434</u>	\$ <u>425,448</u>	\$ <u>(346,642)</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, 2007

	Food Services	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Operating revenues:					
Intergovernmental	\$ 248,774	\$ -	\$ -	\$ -	\$ 248,774
Tuition and fees	-	-	-	617,183	617,183
Classroom materials and fees	-	45,826	-	-	45,826
Food services	650,639	-	-	-	650,639
Miscellaneous	-	14,598	3,359	-	17,957
Total operating revenues	<u>899,413</u>	<u>60,424</u>	<u>3,359</u>	<u>617,183</u>	<u>1,580,379</u>
Operating expenses:					
Salaries and wages	785,502	-	-	482,045	1,267,547
Fringe benefits	450,033	-	-	212,824	662,857
Contractual services	-	-	10,012	8,204	18,216
Supplies and materials	997,081	65,933	2,335	21,792	1,087,141
Depreciation	15,625	-	-	14,412	30,037
Total operating expenses	<u>2,248,241</u>	<u>65,933</u>	<u>12,347</u>	<u>739,277</u>	<u>3,065,798</u>
Operating loss	<u>(1,348,828)</u>	<u>(5,509)</u>	<u>(8,988)</u>	<u>(122,094)</u>	<u>(1,485,419)</u>
Non-operating revenues:					
Federal donated commodities	101,395	-	-	-	101,395
Operating grants	1,107,126	-	-	-	1,107,126
Total non-operating revenues	<u>1,208,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,208,521</u>
Loss before transfers	(140,307)	(5,509)	(8,988)	(122,094)	(276,898)
Transfers - in	<u>-</u>	<u>2,585</u>	<u>-</u>	<u>-</u>	<u>2,585</u>
Net loss	(140,307)	(2,924)	(8,988)	(122,094)	(274,313)
Net assets (deficit) at beginning of year	<u>(668,657)</u>	<u>22,364</u>	<u>26,422</u>	<u>547,542</u>	<u>(72,329)</u>
Net assets (deficit) at end of year	\$ <u>(808,964)</u>	\$ <u>19,440</u>	\$ <u>17,434</u>	\$ <u>425,448</u>	\$ <u>(346,642)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2007

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 708,652	\$ 45,826	\$ -	\$ 614,158	\$ 1,368,636
Cash received from other operating sources	-	14,598	3,359	-	17,957
Cash payments for materials and supplies	(889,597)	(65,933)	(2,335)	(23,555)	(981,420)
Cash payments for goods and services	(13,133)	-	(10,012)	(6,441)	(29,586)
Cash payments to employees for services	(780,741)	-	-	(475,917)	(1,256,658)
Cash payments for employee benefits	(394,326)	-	-	(196,917)	(591,243)
<i>Net cash used for operating activities</i>	<u>(1,369,145)</u>	<u>(5,509)</u>	<u>(8,988)</u>	<u>(88,672)</u>	<u>(1,472,314)</u>
Cash flows from noncapital financing activities:					
Operating grants received	1,417,543	-	-	-	1,417,543
Transfers - in	-	2,585	-	-	2,585
Advances - in	-	-	-	96,480	96,480
<i>Net cash provided by noncapital financing</i>	<u>1,417,543</u>	<u>2,585</u>	<u>-</u>	<u>96,480</u>	<u>1,516,608</u>
Net increase (decrease) in cash and cash equivalents	48,398	(2,924)	(8,988)	7,808	44,294
Cash and cash equivalents at beginning of year	<u>35,299</u>	<u>22,364</u>	<u>26,422</u>	<u>52,819</u>	<u>136,904</u>
Cash and cash equivalents at end of year	\$ <u><u>83,697</u></u>	\$ <u><u>19,440</u></u>	\$ <u><u>17,434</u></u>	\$ <u><u>60,627</u></u>	\$ <u><u>181,198</u></u>
Non-cash noncapital financing activities:					
Federal donated commodities	\$ <u><u>101,395</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>101,395</u></u>

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended June 30, 2007

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating loss to net cash used for operating activities:					
Operating loss	\$ (1,348,828)	\$ (5,509)	\$ (8,988)	\$ (122,094)	\$ (1,485,419)
Adjustments:					
Depreciation	15,625	-	-	14,412	30,037
Federal donated commodities	101,395	-	-	-	101,395
Changes in assets/liabilities:					
Increase in accounts receivable	-	-	-	(3,025)	(3,025)
Increase in intergovernmental receivable	(190,761)	-	-	-	(190,761)
Decrease in materials and supplies inventories	717	-	-	-	717
Decrease in inventory held for resale	5,436	-	-	-	5,436
Decrease in accounts payable	(13,197)	-	-	-	(13,197)
Increase in accrued wages and benefits	34,761	-	-	18,128	52,889
Increase (decrease) in accrued compensated absences	1,992	-	-	(18,238)	(16,246)
Increase in intergovernmental payable	<u>23,715</u>	<u>-</u>	<u>-</u>	<u>22,145</u>	<u>45,860</u>
Total adjustments	<u>(20,317)</u>	<u>-</u>	<u>-</u>	<u>33,422</u>	<u>13,105</u>
Net cash used for operating activities	\$ <u>(1,369,145)</u>	\$ <u>(5,509)</u>	\$ <u>(8,988)</u>	\$ <u>(88,672)</u>	\$ <u>(1,472,314)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets Nonmajor Internal Service Funds

June 30, 2007

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled and investments	\$ 2,569,361	\$ 835,657	\$ 3,405,018
Prepaid items	<u>208,205</u>	<u>-</u>	<u>208,205</u>
Total assets	<u>2,777,566</u>	<u>835,657</u>	<u>3,613,223</u>
Liabilities:			
Current liabilities:			
Accrued wages and benefits	912	-	912
Intergovernmental payable	2,618	516,016	518,634
Claims payable	<u>1,687,400</u>	<u>-</u>	<u>1,687,400</u>
Total liabilities	<u>1,690,930</u>	<u>516,016</u>	<u>2,206,946</u>
Net assets:			
Unrestricted	\$ <u>1,086,636</u>	\$ <u>319,641</u>	\$ <u>1,406,277</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, 2007

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ -	\$ 1,002,070	\$ 1,002,070
Claims	<u>19,641,890</u>	<u>-</u>	<u>19,641,890</u>
Total operating revenues	<u>19,641,890</u>	<u>1,002,070</u>	<u>20,643,960</u>
Operating expenses:			
Salaries and wages	38,842	-	38,842
Fringe benefits	19,069,732	1,539,989	20,609,721
Contractual services	<u>47,363</u>	<u>24,191</u>	<u>71,554</u>
Total operating expenses	<u>19,155,937</u>	<u>1,564,180</u>	<u>20,720,117</u>
Operating income (loss)	485,953	(562,110)	(76,157)
Net assets at beginning of year	<u>600,683</u>	<u>881,751</u>	<u>1,482,434</u>
Net assets at end of year	\$ <u>1,086,636</u>	\$ <u>319,641</u>	\$ <u>1,406,277</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Internal Service Funds

For the Fiscal Year Ended June 30, 2007

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Increase (decrease) in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from customers	\$ 19,646,709	\$ -	\$ 19,646,709
Cash received for claims	-	1,002,070	1,002,070
Cash payments for goods and services	(47,363)	(24,191)	(71,554)
Cash payments to employees for services	(38,365)	-	(38,365)
Cash payments for claims	<u>(19,304,188)</u>	<u>(2,000,816)</u>	<u>(21,305,004)</u>
Net cash provided by (used for) operating activities	<u>256,793</u>	<u>(1,022,937)</u>	<u>(766,144)</u>
Net increase (decrease) in cash and cash equivalents	256,793	(1,022,937)	(766,144)
Cash and cash equivalents at beginning of year	<u>2,312,568</u>	<u>1,858,594</u>	<u>4,171,162</u>
Cash and cash equivalents at end of year	\$ <u>2,569,361</u>	\$ <u>835,657</u>	\$ <u>3,405,018</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 485,953	\$ (562,110)	\$ (76,157)
Adjustments:			
Changes in assets/liabilities:			
Decrease in accounts receivable	4,819	-	4,819
Increase in prepaid items	(42,863)	-	(42,863)
Increase in accrued wages and benefits	477	-	477
Increase (decrease) in intergovernmental payable	1,207	(460,827)	(459,620)
Decrease in claims payable	<u>(192,800)</u>	<u>-</u>	<u>(192,800)</u>
Total adjustments	<u>(229,160)</u>	<u>(460,827)</u>	<u>(689,987)</u>
Net cash provided by (used for) operating activities	\$ <u>256,793</u>	\$ <u>(1,022,937)</u>	\$ <u>(766,144)</u>

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



ARIANNA MURRAY
Grade 3, Roxboro Elementary



DANIEL FIELDS
Grade 3, Roxboro Elementary



LEXI SCHUCK
Grade 5, Roxboro Elementary



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, 2007

	Budget		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition	\$ 3,000,000	\$ 3,000,000	\$ 1,056,969	\$ (1,943,031)
Expenses:				
Salaries and wages:				
Regular instruction	166,650	166,650	168,681	(2,031)
Special instruction	1,131,691	1,131,691	1,081,153	50,538
Support services - pupil	250,903	250,903	258,558	(7,655)
Support services - administration	195,923	195,923	195,887	36
Total salaries and wages	<u>1,745,167</u>	<u>1,745,167</u>	<u>1,704,279</u>	<u>40,888</u>
Fringe benefits:				
Regular instruction	58,556	58,556	58,819	(263)
Special instruction	421,400	421,400	429,394	(7,994)
Support services - pupil	87,425	87,425	84,334	3,091
Support services - administration	81,688	81,688	83,443	(1,755)
Total fringe benefits	<u>649,069</u>	<u>649,069</u>	<u>655,990</u>	<u>(6,921)</u>
Purchased services:				
Special instruction	177,907	532,669	528,837	3,832
Support services - pupil	430	430	-	430
Support services - instruction	267	267	267	-
Total purchased services	<u>178,604</u>	<u>533,366</u>	<u>529,104</u>	<u>4,262</u>
Supplies and materials:				
Special instruction	42,596	41,833	38,330	3,503
Support services - pupil	400	400	400	-
Total supplies and materials	<u>42,996</u>	<u>42,233</u>	<u>38,730</u>	<u>3,503</u>
Capital outlay:				
Special instruction	5,000	5,000	3,942	1,058
Total expenses	<u>2,620,836</u>	<u>2,974,835</u>	<u>2,932,045</u>	<u>42,790</u>
Net change in fund equity	379,164	25,165	(1,875,076)	(1,900,241)
Fund equity at beginning of year	1,768,146	1,768,146	1,768,146	-
Prior year encumbrances appropriated	<u>154,769</u>	<u>154,769</u>	<u>154,769</u>	<u>-</u>
Fund equity at end of year	\$ <u>2,302,079</u>	\$ <u>1,948,080</u>	\$ <u>47,839</u>	\$ <u>(1,900,241)</u>

Cleveland Heights-University Heights City School District

Food Service Fund

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

For the Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 763,500	\$ 763,500	\$ 650,639	\$ (112,861)
Intergovernmental	2,105,734	1,440,000	1,475,556	35,556
Total revenues	<u>2,869,234</u>	<u>2,203,500</u>	<u>2,126,195</u>	<u>(77,305)</u>
Expenses:				
Food service operations:				
Salaries and wages	787,211	787,211	780,741	6,470
Fringe benefits	362,226	362,226	394,326	(32,100)
Purchased services	37,544	22,544	15,706	6,838
Supplies and materials	967,553	982,234	936,930	45,304
Total expenses	<u>2,154,534</u>	<u>2,154,215</u>	<u>2,127,703</u>	<u>26,512</u>
Excess of revenues over (under) expenses	714,700	49,285	(1,508)	(50,793)
Other financing sources (uses):				
Advances - out	<u>(750,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund equity	(35,300)	49,285	(1,508)	(50,793)
Fund equity at beginning of year	14,201	14,201	14,201	-
Prior year encumbrances appropriated	<u>21,099</u>	<u>21,099</u>	<u>21,099</u>	<u>-</u>
Fund equity at end of year	\$ <u>-</u>	\$ <u>84,585</u>	\$ <u>33,792</u>	\$ <u>(50,793)</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 40,924	\$ 40,924	\$ 45,826	\$ 4,902
Miscellaneous	3,856	19,500	14,598	(4,902)
Total revenues	<u>44,780</u>	<u>60,424</u>	<u>60,424</u>	<u>-</u>
Expenses:				
Supplies and materials:				
Regular instruction	58,500	49,904	49,904	-
Other non-instructional services	<u>8,645</u>	<u>26,144</u>	<u>26,127</u>	<u>17</u>
Total expenses	<u>67,145</u>	<u>76,048</u>	<u>76,031</u>	<u>17</u>
Excess of revenues over (under) expenses	(22,365)	(15,624)	(15,607)	17
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>2,585</u>	<u>2,585</u>	<u>-</u>
Net change in fund equity	(22,365)	(13,039)	(13,022)	17
Fund equity at beginning of year	13,721	13,721	13,721	-
Prior year encumbrances appropriated	<u>8,644</u>	<u>8,644</u>	<u>8,644</u>	<u>-</u>
Fund equity at end of year	\$ <u>-</u>	\$ <u>9,326</u>	\$ <u>9,343</u>	\$ <u>17</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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 2,715	\$ 3,359	\$ 644
Expenses:				
Purchased services:				
Special instruction	-	2,715	2,440	275
Support services - instructional staff	-	409	408	1
Support services - administration	-	25,992	12,499	13,493
Total expenses	-	29,116	15,347	13,769
Net change in fund equity	-	(26,401)	(11,988)	14,413
Fund equity at beginning of year	26,422	26,422	26,422	-
Fund equity at end of year	\$ 26,422	\$ 21	\$ 14,434	\$ 14,413

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 473,908	\$ 636,425	\$ 614,158	\$ (22,267)
Expenses:				
Community services:				
Salaries and wages	445,741	485,234	475,917	9,317
Fringe benefits	176,903	174,729	196,917	(22,188)
Purchased services	362	8,862	7,397	1,465
Supplies and materials	201	39,951	28,531	11,420
Total expenses	<u>623,207</u>	<u>708,776</u>	<u>708,762</u>	<u>14</u>
Excess of revenues over (under) expenses	(149,299)	(72,351)	(94,604)	(22,253)
Other financing sources (uses):				
Transfers - in	<u>96,480</u>	<u>96,480</u>	<u>96,480</u>	<u>-</u>
Net change in fund equity	(52,819)	24,129	1,876	(22,253)
Fund equity at beginning of year	52,254	52,254	52,254	-
Prior year encumbrances appropriated	<u>565</u>	<u>565</u>	<u>565</u>	<u>-</u>
Fund equity at end of year	\$ <u>-</u>	\$ <u>76,948</u>	\$ <u>54,695</u>	\$ <u>(22,253)</u>

Cleveland Heights-University Heights City School District

Self-Insurance Fund

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

For the Fiscal Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 19,000,000	\$ 19,000,000	\$ 19,646,709	\$ 646,709
Expenses:				
Salaries and wages:				
Support services - central	-	-	38,365	(38,365)
Fringe benefits:				
Support services - central	11,000,000	11,322,583	11,306,797	15,786
Foundation settlement retiree	8,000,000	8,000,000	8,000,000	-
Total fringe benefits	19,000,000	19,322,583	19,306,797	15,786
Purchases services:				
Support services - central	39,391	78,108	52,600	25,508
Total expenses	19,039,391	19,400,691	19,397,762	2,929
Net change in fund equity	(39,391)	(400,691)	248,947	649,638
Fund equity at beginning of year	2,273,176	2,273,176	2,273,176	-
Prior year encumbrances appropriated	39,391	39,391	39,391	-
Fund equity at end of year	\$ 2,273,176	\$ 1,911,876	\$ 2,561,514	\$ 649,638

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 30,2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 1,000,000	\$ 1,000,000	\$ 1,002,070	\$ 2,070
Expenses:				
Fringe benefits:				
Support services - central	2,000,000	2,000,816	2,000,816	-
Purchased services:				
Support services - central	25,763	25,763	24,954	809
Total expenses	2,025,763	2,026,579	2,025,770	809
Net change in fund equity	(1,025,763)	(1,026,579)	(1,023,700)	2,879
Fund equity at beginning of year	857,831	857,831	857,831	-
Prior year encumbrances appropriated	1,000,763	1,000,763	1,000,763	-
Fund equity at end of year	\$ 832,831	\$ 832,015	\$ 834,894	\$ 2,879

Cleveland Heights-University Heights City School District

Combining Statement of Changes in Assets and Liabilities - Agency Funds

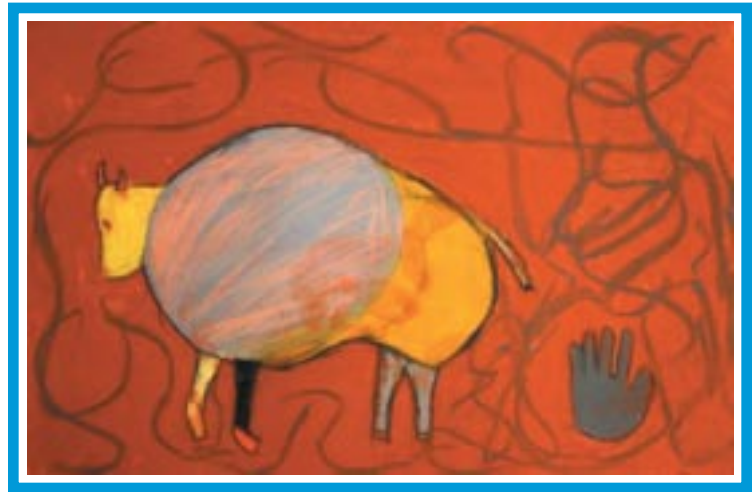
For the Fiscal Year Ended June 30, 2007

	<u>Balance</u> <u>06/30/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/07</u>
Student activities:				
Assets:				
Equity in pooled cash and investments	\$ <u>101,028</u>	\$ <u>97,971</u>	\$ <u>116,303</u>	\$ <u>82,696</u>
Liabilities:				
Due to students	\$ <u>101,028</u>	\$ <u>97,971</u>	\$ <u>116,303</u>	\$ <u>82,696</u>

Statistical Section



AMARI BROOKS
Grade 4
Gearity Elementary



ROSE HERSH
Grade 3
Gearity Elementary



GRACE FORNITI
Grade 1
Gearity Elementary



Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2007

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 School District's financial performance and well-being have changed over time.	138-145
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	146-149
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	150-153
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	154
Operating Information These schedules contain service data to help the reader understand how the Information in the School District's financial report relates to the services the School District provides and the activities it performs.	155-160

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 Five Fiscal Years

Table 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</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
Restricted for:					
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036
Debt service	-	-	-	574,741	581,198
Other purposes	760,578	1,782,304	867,606	285,016	4,423
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805	3,247,269
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>
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>
Business - type activities:					
Invested in capital assets, net of related debt	661,924	821,275	787,690	754,143	721,008
Unrestricted (deficit)	<u>(869,152)</u>	<u>(832,913)</u>	<u>(969,636)</u>	<u>(1,194,310)</u>	<u>(2,320,676)</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>
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
Restricted for:					
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036
Debt service	-	-	-	574,741	581,198
Other purposes	760,578	1,782,304	867,606	285,016	4,423
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805	3,247,269
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>
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>

Cleveland Heights-University Heights City School District

Changes in Net Assets

Last Five Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses:					
Governmental activities:					
Regular instruction	\$ 34,958,355	\$ 36,417,770	\$ 37,821,356	\$ 35,341,336	\$ 35,895,404
Special instruction	7,570,304	7,890,280	8,555,472	8,573,448	9,844,902
Vocational instruction	1,839,843	1,774,417	1,761,548	1,662,594	1,701,696
Adult/continuing	249,789	238,686	257,212	145,191	270,336
Other instruction	2,454,574	2,664,644	2,053,694	3,405,263	2,728,650
Pupil	7,951,089	9,177,483	9,482,769	9,436,509	9,342,399
Instructional staff	5,056,893	5,524,342	4,955,130	4,469,078	5,271,776
Board of education	491,748	579,903	620,020	530,377	484,231
Administration	5,514,641	5,999,231	6,178,788	6,167,949	6,281,020
Fiscal	1,964,999	1,554,698	1,990,102	2,019,423	2,177,550
Business	2,494,829	2,687,483	2,320,386	2,307,448	2,299,809
Operation and maintenance of plant	11,645,982	8,631,086	11,949,256	11,451,826	10,444,810
Pupil transportation	3,253,212	3,192,244	3,055,811	3,498,625	3,909,255
Central	2,976,889	2,641,862	2,767,128	2,976,522	2,874,077
Community services	2,381,565	1,835,912	2,038,093	1,920,647	2,467,145
Extracurricular activities	1,170,728	1,108,523	1,195,101	1,157,041	1,524,317
Capital outlay	122,904	-	-	-	-
Interest and fiscal charges	<u>610,196</u>	<u>732,788</u>	<u>589,770</u>	<u>570,050</u>	<u>673,878</u>
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>
Business - type activities:					
Food service	2,539,369	2,410,538	2,275,179	2,112,230	2,248,241
Uniform school supplies	40,248	70,813	86,629	75,620	65,933
Customer services	47,037	33,077	19,536	9,112	12,347
Community services/early - childhood	1,286,944	1,465,300	791,388	821,651	739,277
Bellefaire general rotary	<u>2,953,518</u>	<u>2,911,252</u>	<u>2,615,327</u>	<u>2,827,708</u>	<u>2,892,502</u>
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>
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>

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Five Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Program revenues:					
Governmental activities:					
Charges for service:					
Regular instruction	2,162,966	3,079,957	984,055	526,747	263,099
Special instruction	-	-	-	3,595,546	3,252,614
Vocational instruction	-	-	63,695	136,066	6,482
Adult/continuing instruction	-	-	-	6,825	9,397
Other instruction	566,797	31,532	-	-	-
Pupil	21,220	-	421	-	-
Administration	-	-	17,506	62,689	10,847
Pupil transportation	-	87,728	51,315	93,487	75,075
Community services	-	1,763,998	2,312,716	-	-
Extracurricular activities	116,855	418,013	357,465	44,292	92,616
Operating grants and contributions:					
Regular instruction	3,150,954	3,483,264	3,050,460	2,420,203	4,843,017
Special instruction	1,853,403	4,799,905	5,515,582	1,801,912	1,698,848
Vocational instruction	238,846	15,476	2,860,034	247,590	276,976
Adult/continuing instruction	508,232	-	-	-	290,714
Other instruction	-	-	2,264	-	-
Pupil	655,546	32,558	162,357	-	249,832
Instructional staff	142,883	569,528	-	-	3,300
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
Capital grants and contributions:					
Regular instruction	-	48,750	48,750	-	-
Operation and maintenance of plant	-	-	-	30,000	46,513
Pupil transportation	56,288	8,181	-	-	-
Total governmental activities					
program revenues	11,750,871	14,379,293	17,265,881	10,991,025	13,145,390
Business - type activities:					
Charges for services:					
Food service	998,818	1,127,693	545,521	732,621	650,639
Uniform school supplies	43,492	77,652	73,630	73,253	60,424
Customer services	23,305	18,245	20,032	35,038	3,359
Community services	1,481,117	1,181,284	890,313	784,388	617,183
Bellefaire	1,741,370	2,592,146	1,776,450	1,861,111	2,007,314
Operating grants and contributions					
Food service	1,245,716	1,017,510	218,838	26,289	248,774
Bellefaire	663,565	804,585	-	-	-
Total business - type activities					
Program revenues	6,197,383	6,819,115	3,524,784	3,512,700	3,587,693
Total primary governmental					
revenues	17,948,254	21,198,408	20,790,665	14,503,725	16,733,083
Net expense:					
Governmental activities	(80,957,669)	(78,272,059)	(80,325,755)	(84,642,302)	(85,045,865)
Business - type activities	(669,733)	(71,865)	(2,263,275)	(2,333,621)	(2,370,607)
Total primary government net expense	(81,627,402)	(78,343,924)	(82,589,030)	(86,975,923)	(87,416,472)

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Five Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</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
Debt service	501,821	894,502	929,117	535,005	741,683
Capital projects	2,692,133	4,929,571	3,069,014	4,455,425	3,131,163
Grants and entitlements not restricted to specific programs	16,603,073	21,819,121	30,581,825	26,687,865	23,469,550
Earnings on investments	260,631	587,741	462,659	1,432,840	2,322,959
Miscellaneous	-	-	392,785	955,098	856,666
Transfers	<u>(545,509)</u>	<u>(267,455)</u>	<u>-</u>	<u>3,000</u>	<u>(2,585)</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>
Business - type activities:					
Grants and entitlements not restricted to specific programs	-	-	2,092,967	2,078,400	1,208,521
Transfers	<u>545,509</u>	<u>267,455</u>	<u>-</u>	<u>(3,000)</u>	<u>2,585</u>
Total business - type activities	<u>545,509</u>	<u>267,455</u>	<u>2,092,967</u>	<u>2,075,400</u>	<u>1,211,106</u>
Total primary government	<u>19,340,544</u>	<u>84,595,854</u>	<u>97,838,401</u>	<u>112,432,951</u>	<u>88,816,900</u>
Change in net assets					
Governmental activities	(10,979,097)	6,056,340	15,419,679	25,715,249	2,559,929
Business - type activities	<u>(124,224)</u>	<u>195,590</u>	<u>(170,308)</u>	<u>(258,221)</u>	<u>(1,159,501)</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>

Cleveland Heights-University Heights City School District

Program Revenues by Function/Program

Last Five Fiscal Years

Table 3

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:					
Regular instruction	\$ 5,313,920	\$ 6,611,971	\$ 4,083,265	\$ 2,946,950	\$ 5,106,116
Special instruction	1,853,403	4,799,905	5,515,582	5,397,458	4,951,462
Vocational instruction	238,846	15,476	2,923,729	383,656	283,458
Adult/continuing instruction	508,232	-	-	6,825	300,111
Other instruction	566,797	31,532	2,264	-	-
Pupil	676,766	32,558	162,778	-	249,832
Instructional staff	142,883	569,528	-	-	3,300
Administration	55,280	-	17,506	62,689	32,480
Operation and maintenance of plant	45,500	-	-	107,993	76,334
Pupil transportation	243,180	125,999	51,315	93,487	75,075
Central	26,220	-	21,752	64,400	42,000
Community services	1,962,989	1,774,311	4,130,225	1,883,275	1,932,606
Extracurricular activities	<u>116,855</u>	<u>418,013</u>	<u>357,465</u>	<u>44,292</u>	<u>92,616</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>
Business - type activities:					
Food service	2,244,534	2,145,203	764,359	758,910	899,413
Uniform school supplies	43,492	77,652	73,630	73,253	60,424
Customer services	23,305	18,245	20,032	35,038	3,359
Community services	1,481,117	1,181,284	890,313	784,388	617,183
Bellefaire	<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>
Total business - type activities	<u>6,197,383</u>	<u>6,819,115</u>	<u>3,524,784</u>	<u>3,512,700</u>	<u>3,587,693</u>
Total primary government program revenues	\$ <u>17,948,254</u>	\$ <u>21,198,408</u>	\$ <u>20,790,665</u>	\$ <u>14,503,725</u>	\$ <u>16,733,083</u>

Source: School District's financial records

Cleveland Heights-University Heights City School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years **Table 4**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General fund:										
Reserved	\$ 4,927,207	\$ 9,787,520	\$ 5,236,993	\$ 7,761,780	\$ 15,486,334	\$ 8,159,310	\$ 14,015,916	\$ 17,421,642	\$ 31,484,977	\$ 28,287,616
Unreserved	6,085,324	10,262,005	8,214,162	7,475,436	15,171,373	10,062,100	1,924,082	13,612,213	21,350,110	27,784,974
Total general fund	<u>11,012,531</u>	<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>
All other governmental funds:										
Reserved, undesignated	1,694,172	1,533,585	1,727,115	1,831,392	2,231,698	4,927,249	9,767,446	7,642,807	4,704,397	2,959,452
Reported in:										
Special revenue funds	419,366	1,267,622	1,452,435	1,050,612	1,075,052	953,319	217,477	1,179,271	648,244	(719,527)
Debt service funds	12,617	11,006	11,006	11,006	(182,807)	81,071	98,444	211,488	-	-
Capital projects funds	3,777,110	2,612,553	577,278	766,430	(176,962)	1,173,189	1,433,228	265,668	2,415,169	2,957,383
Total all other governmental funds	<u>5,903,265</u>	<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>
Total governmental funds	<u>\$ 16,915,796</u>	<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>

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years **Table 5**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	\$ 44,074,251	\$ 49,473,648	\$ 40,916,548	\$ 50,765,634	\$ 62,143,581	\$ 46,308,999	\$ 60,162,590	\$ 65,125,482	\$ 80,068,149	\$ 62,525,139
Intergovernmental	25,576,841	28,389,022	27,483,801	27,421,461	31,643,744	33,868,366	33,979,643	40,330,849	35,994,845	35,909,507
Tuition and fees	4,533,342	5,948,629	1,553,244	899,953	287,421	589,353	666,018	3,000,244	563,807	1,691,244
Transportation fees	-	-	46,063	95,538	61,297	56,288	76,823	51,315	-	-
Earnings on investments	1,323,306	1,758,784	1,027,407	1,320,577	828,171	254,688	169,792	462,659	1,432,840	2,322,959
Extracurricular activities	981,142	955,618	365,223	448,766	370,346	347,415	276,992	357,465	187,545	221,068
Classroom materials and fees	-	-	271,746	74,081	61,389	65,752	47,994	24,334	21,612	31,683
Food services	-	-	92	1,831	-	-	-	-	-	-
Rentals	69,481	44,209	-	-	-	-	-	-	-	-
Gifts and donations	190,913	199,929	-	-	-	-	-	-	-	-
Miscellaneous	297,145	1,011,347	687,538	651,190	5,868,314	1,273,296	634,344	1,864,071	1,522,733	1,078,839
Total revenues	77,046,421	87,781,186	72,351,662	81,677,200	101,266,094	82,764,157	96,014,196	111,216,419	119,791,531	103,780,439
Expenditures:										
Current:										
Instruction:										
Regular	28,163,419	31,566,108	30,388,816	31,830,566	32,721,891	34,583,645	33,868,601	34,236,479	34,573,204	36,216,029
Special	7,535,055	7,345,509	5,939,722	6,353,542	6,843,267	7,558,962	7,718,576	8,465,988	8,604,906	9,727,158
Vocational	1,532,181	1,659,759	1,633,653	1,623,723	1,679,674	1,828,643	1,695,105	1,717,241	1,670,809	1,681,895
Adult/continuing	172,511	160,850	202,811	219,804	243,714	249,789	258,416	256,099	147,662	263,554
Other	-	-	1,702,550	1,933,701	1,217,427	2,454,574	2,675,944	2,053,694	3,404,613	2,728,650
Support services:										
Pupil	5,425,315	6,174,489	6,857,623	7,300,157	7,205,878	7,951,441	8,910,162	9,398,698	9,460,564	9,397,066
Instructional staff	3,263,970	4,276,090	4,009,890	3,676,704	4,179,534	4,835,159	5,385,171	4,786,153	4,416,605	5,175,284
Board of education	251,588	288,511	763,661	621,463	245,198	491,748	543,274	620,020	530,377	484,231
Administration	4,818,893	5,115,042	4,917,757	4,669,781	5,573,613	5,524,040	5,848,938	6,001,439	6,124,940	6,245,179
Fiscal	1,419,293	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
Business	1,127,596	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
Operation and maintenance	8,154,780	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
Pupil transportation	1,975,896	2,162,846	2,266,660	2,425,998	2,728,538	3,194,204	3,229,414	2,872,764	3,347,240	3,753,311
Central	1,770,830	2,124,117	2,503,827	2,775,439	3,004,062	2,942,986	2,594,369	2,726,067	2,982,146	2,861,101
Operations of non-instructional services:										
Food service	-	-	927	1,853	103	976	24	-	-	-
Community services	2,942,279	3,117,020	2,024,777	1,962,607	2,097,167	2,279,893	1,755,029	2,026,440	1,828,088	2,359,941
Other	-	-	79,469	70,196	78,040	100,920	50,795	-	94,520	96,664
Extracurricular activities	916,759	974,566	910,198	982,550	1,349,898	1,154,995	1,077,510	1,202,092	1,131,599	1,526,574
Capital outlay	2,890,554	6,483,198	14,678	19,500	10,547	139,138	124,678	-	4,268,101	4,132,268
Debt service:										
Principal retirement	378,555	381,166	462,264	1,040,000	1,352,191	1,409,915	1,274,239	910,000	930,000	1,097,667
Interest and fiscal charges	95,197	142,599	189,006	170,973	198,676	729,241	733,060	596,144	571,259	676,318
Total expenditures	72,834,671	82,880,650	79,770,172	80,124,565	87,051,117	97,755,363	100,422,651	98,919,415	99,513,863	103,110,853

Continued

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years **Table 5**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Excess of revenues over (under expenditures)	4,211,750	4,900,536	(7,418,510)	1,552,635	14,214,977	(14,991,206)	(4,408,455)	12,297,004	20,277,668	669,586
Other financing sources (uses):										
Issuance of bonds	1,400,000	-	-	-	660,000	732,323	835,560	577,492	-	-
Issuance of notes	-	1,600,000	-	-	-	5,800,000	-	-	-	-
Proceeds from the inception of capital lease	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of assets	17,153	1,306	132,843	45,588	-	-	-	-	-	-
Insurance proceeds	-	-	-	161,618	-	-	-	-	-	-
Qualified zone academy bonds	-	-	-	-	-	-	5,500,000	-	-	-
Other	-	-	-	(1,075)	-	5,942	-	-	-	-
Transfers-in	849,445	2,771,255	1,006,350	813,164	297,345	2,307,593	7,128,579	1,432,606	997,692	1,339,411
Refund of prior year expenditures	-	-	-	-	-	-	-	-	71,786	-
Transfers-out	(689,454)	(877,881)	(1,975,985)	(894,263)	(464,290)	(2,103,102)	(6,955,329)	(1,432,606)	(994,692)	(1,341,996)
Refund of prior year receipts	-	-	-	-	-	-	-	-	(80,646)	-
Total other financing sources (uses)	1,577,144	3,494,680	(836,792)	125,032	493,055	6,742,756	6,508,810	577,492	(5,860)	(2,585)
Net change in fund balances	\$ 5,788,894	\$ 8,395,216	\$ (8,255,302)	\$ 1,677,667	\$ 14,708,032	\$ (8,248,450)	\$ 2,100,355	\$ 12,874,496	\$ 20,271,808	\$ 667,001
Debt service as a percentage of non-capital expenditures	0.68%	0.69%	0.82%	1.51%	1.79%	2.19%	1.98%	1.53%	1.51%	1.79%

Cleveland Heights-University Heights City School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years Table 6

Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1998	\$ 803,313,550	\$ 2,295,181,571	\$ 29,089,580	\$ 33,056,341	\$ 24,642,983	\$ 98,571,932	\$ 857,046,113	\$ 2,426,809,844	35%
1999	802,796,940	2,293,705,543	29,159,440	33,135,727	22,936,713	91,746,852	854,893,093	2,418,588,122	35
2000	813,037,690	2,322,964,829	26,927,490	30,599,420	23,459,179	93,836,716	863,424,359	2,447,400,965	35
2001	926,462,620	2,647,036,057	30,906,950	35,121,534	34,917,354	139,669,415	992,286,924	2,821,827,007	35
2002	929,693,070	2,656,265,914	20,379,170	23,158,147	24,751,484	99,005,936	974,823,724	2,778,429,997	35
2003	937,234,820	2,677,813,771	31,701,920	36,024,909	25,539,854	111,042,843	994,476,594	2,824,881,523	35
2004	1,066,559,720	3,047,313,486	33,561,950	38,138,580	23,331,004	101,439,148	1,123,452,674	3,186,891,213	35
2005	1,135,565,940	3,244,474,114	30,356,400	34,495,909	22,495,796	97,807,809	1,188,418,136	3,376,777,832	35
2006	1,068,833,330	3,053,809,514	27,878,630	31,680,261	23,111,301	100,483,917	1,119,823,261	3,185,973,692	35
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	34.7

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 1998 through 2006 and 12.5 percent of actual value for 2007.

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

As of December 31, 2006 and December 31, 2001

Table 7

	December 31, 2006	
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Severance SPE Lease Co., LLC	\$ 15,923,180	1.28%
Inland Western University	14,671,900	1.18%
Kaiser Foundation Health	11,616,780	0.93%
The May Department Stores University Square	8,552,780	0.69%
Target Corp.	7,827,610	0.63%
Coral Cedar Center LLC	6,279,500	0.50%
ARC Cleveland Hts. LLC	4,973,060	0.40%
Severance SPE FEEO, LLC	3,415,590	0.27%
Concord Park I, II, & III	3,218,680	0.26%
Total	\$ 79,070,270	6.35%

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

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2007 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		County		City		Metro Parks		Library	Tri-C	Cleveland Port Authority		Total		Debt Service Included in Total Levy			
	Levy	\$	Levy	\$	Levy	\$	Levy	\$	Levy	Levy	Levy	Levy	Levy	Levy	School	County	City	Total
1997/1998	111.00	\$ 15.05	14.80	\$ 14.80	1.55	\$ 1.55	4.00	\$ 4.00	0.00	0.00	0.00	0.00	0.00	\$ 146.40	3.80	\$ 0.60	6.80	\$ 11.20
1998/1999	111.00	13.75	14.80	14.80	1.55	1.55	4.00	4.00	0.00	0.00	0.00	0.00	0.00	145.10	3.80	0.72	6.80	11.32
1999/2002	111.00	13.75	14.80	14.80	1.55	1.55	4.00	4.00	0.00	0.00	0.00	0.00	0.00	145.10	3.80	0.85	6.80	11.45
2000/2001	120.40	14.65	14.10	14.10	1.55	1.55	5.90	5.90	0.00	0.00	0.00	0.00	0.00	156.60	3.80	0.79	6.10	10.69
2001/2002	121.10	14.65	14.00	14.00	1.55	1.55	5.90	5.90	0.00	0.00	0.00	0.00	0.00	157.20	3.80	0.86	6.00	10.66
2002/2003	121.10	14.65	14.10	14.10	1.55	1.55	5.90	5.90	0.00	0.00	0.00	0.00	0.00	157.30	3.80	0.91	6.10	10.81
2003/2004	121.10	13.52	14.00	14.00	1.55	1.55	5.90	5.90	2.80	2.80	0.13	0.13	0.13	159.00	3.80	0.91	6.00	10.71
2004/2005	129.50	13.52	13.10	13.10	1.85	1.85	5.90	5.90	2.80	2.80	0.13	0.13	0.13	166.80	3.80	0.61	6.48	10.89
2005/2006	129.50	13.52	13.00	13.00	1.85	1.85	5.90	5.90	2.80	2.80	0.13	0.13	0.13	166.70	3.80	0.71	6.48	10.99
2006/2007	129.60	13.42	13.00	13.00	1.85	1.85	5.90	5.90	2.80	2.80	0.13	0.13	0.13	166.70	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>
1998	\$ 50,530,484	\$ 2,261,651	\$ 52,792,135	\$ 45,883,312	90.80%	\$ 956,882	\$ 46,840,194	92.70%
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	99.525

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

Cleveland Heights-University Heights City School District

Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2006

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	\$ 12,856,619	100.00%	\$ 12,856,619
Total Direct	<u>12,856,619</u>		<u>12,856,619</u>
Overlapping			
City of Cleveland Heights	28,172,000	74.85%	21,086,370
City of South Euclid	9,619,994	2.43%	234,040
City of University Heights	4,637,900	22.72%	1,053,660
Cuyahoga County	214,338,691	3.78%	8,104,410
Regional Transit Authority	156,500,000	3.78%	5,917,458
Total Overlapping	<u>413,268,585</u>		<u>36,395,938</u>
Grand Total	\$ <u>426,125,204</u>		\$ <u>49,252,557</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 2007 collection year.

Cleveland Heights-University Heights City School District

Computation of Legal Debt Margin

Last Ten Fiscal Years	1998	1999	2000	2001	2002	2003	2004	2005	2006 ⁽²⁾	2007 ⁽²⁾
Assessed valuation	\$ 857,046,113	\$ 854,893,093	\$ 863,424,359	\$ 992,286,924	\$ 974,823,724	\$ 994,476,594	\$ 1,123,452,674	\$ 1,188,418,136	\$ 1,079,491,310	\$ 1,229,566,760
Debt limit – 9% of assessed value	77,134,150	76,940,378	77,708,192	89,305,822	87,734,135	89,502,893	101,110,741	106,957,632	97,154,218	110,661,008
Amount of debt applicable to debt limit:										
General obligation bonds	3,200,000	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
Tax anticipation note	-	1,600,000	1,600,000	1,000,000	400,000	-	-	-	-	-
Less: amount available in debt service fund	(12,617)	(11,006)	(11,006)	(11,006)	(9,317,193)	(81,071)	(258,667)	(394,441)	(574,741)	(581,198)
Total	<u>3,187,383</u>	<u>4,488,994</u>	<u>4,048,994</u>	<u>3,008,994</u>	<u>2,162,797</u>	<u>16,108,919</u>	<u>15,276,323</u>	<u>14,230,549</u>	<u>13,120,249</u>	<u>12,275,421</u>
Exemptions:										
Tax anticipation notes	-	1,600,000	1,600,000	1,000,000	400,000	-	-	-	-	-
Total exemptions	-	1,600,000	1,600,000	1,000,000	400,000	-	-	-	-	-
Amount of debt subject to the limit	<u>3,187,383</u>	<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>
Overall debt margin	\$ <u>73,946,767</u>	\$ <u>74,051,384</u>	\$ <u>75,259,198</u>	\$ <u>87,296,828</u>	\$ <u>85,971,338</u>	\$ <u>73,393,974</u>	\$ <u>85,834,418</u>	\$ <u>92,727,083</u>	\$ <u>84,033,969</u>	\$ <u>98,385,587</u>
Debt margin – .10% of assessed Value ⁽¹⁾	\$ 857,046	\$ 854,893	\$ 863,424	\$ 992,287	\$ 974,823	\$ 994,477	\$ 1,123,453	\$ 1,188,418	\$ 1,079,491	\$ 1,229,567
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ <u>857,046</u>	\$ <u>854,893</u>	\$ <u>863,424</u>	\$ <u>992,287</u>	\$ <u>974,823</u>	\$ <u>994,477</u>	\$ <u>1,123,453</u>	\$ <u>1,188,418</u>	\$ <u>1,079,491</u>	\$ <u>1,229,567</u>
Total net debt applicable to the limit as a percentage of debt limit	4.13%	3.75%	3.15%	2.25%	2.01%	18.00%	15.11%	13.30%	13.50%	11.09%

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	Total Debt	Total Debt			
1998	\$ -	\$ 3,200,000	\$ -	\$ 103,430	\$ -	\$ -	\$ 3,303,430	0.27%	\$ 48.73	
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	29.34	
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	

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>	Gross General Bonded Debt ⁽¹⁾	Less Debt Service Fund	Net General Bonded Debt	Assessed Value ⁽²⁾	Population ⁽³⁾	Ratio of Net Debt to Assessed Value	Debt Per Capita
1997/1998	\$ 1,800,000	\$ 48,320	\$ 1,751,680	\$ 857,046,113	67,785	0.20%	\$ 27
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	29
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	0.16	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	14,024,990	574,741	13,450,249	1,119,823,261	64,915	1.20	207
2006/2007	13,871,619	581,198	13,290,421	1,247,851,673	64,915	1.07	205

Sources:

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

Cleveland Heights-University Heights City School District

Demographic and Economic Statistics

Year	County Population(1)	Cleveland Heights Population(1)	University Heights Population(1)	School Enrollment(2)	Unemployment Rate(3)	Cleveland Hts. Median Family Income(1)	University Hts. Median Family Income(1)	Total Personal Income(1)	Total Personal Per Capita
1998	1,412,140	53,531	14,254	6,899	4.00%	\$ 43,541	N/A	\$ 1,231,731,360	\$ 18,171
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

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

Last Two Years

Table 15

Employer	December 31, 2005			December 31, 2006		
	Nature of Business	Number of Employees	Percentage of Total City Employees	Nature of Business	Number of Employees	Percentage of Total City Employees
Cleveland Heights-University Heights Board of Education (1)	School District	1,164	3.70%	School District	1,087	3.46%
John Carroll University	Education	585	1.86%	Education	585	1.86%
Cleveland Heights City Hall	Local Government	502	1.59%	Local Government	496	1.58%
Wal Mart	Retail	300	0.95%	Health Care	375	1.19%
Kaiser Permanente	Health Care	300	0.95%	Retail	250	0.80%
Heinen's	Grocery/Retail	200	0.64%	Grocery/Retail	200	0.64%
Kauffman's	Retail	200	0.64%	Retail	200	0.64%
Target	Retail	200	0.64%	Retail	200	0.64%
Tops	Grocery/Retail	190	0.60%	Auto Dealership	200	0.64%
Home Depot	Retail/Lumber	150	0.48%	Private School	150	0.48%
Total		<u>3,791</u>	<u>12.04%</u>		<u>3,743</u>	<u>11.91%</u>
Total Employment within the School District		<u>31,488</u>		Total Employment within the School District	<u>31,440</u>	

Source: Cities of Cleveland Heights and University Heights. Information prior to 2004 was not available.

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program

June 30, 2007

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	283	Enrollment Grades K-5	362
Regular Instruction Teachers	13	Regular Instruction Teachers	21
Special Instruction Teachers	4	Special Instruction Teachers	6
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	383	Enrollment Grades K-5	329
Regular Instruction Teachers	20	Regular Instruction Teachers	18
Special Instruction Teachers	4	Special Instruction Teachers	4
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	319	Enrollment Grades 6-8	504
Regular Instruction Teachers	17	Regular Instruction Teachers	33
Special Instruction Teachers	6	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	402	Enrollment Grades 6-8	550
Regular Instruction Teachers	20	Regular Instruction Teachers	37
Special Instruction Teachers	8	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	238	Enrollment Grades 6-8	439
Regular Instruction Teachers	13	Regular Instruction Teachers	34
Special Instruction Teachers	10	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	426	Enrollment Grades 9-12	1,823
Regular Instruction Teachers	21	Regular Instruction Teachers	115
Special Instruction Teachers	6	Special Instruction Teachers	50

Source: School District's appraisal reports and personnel records

Cleveland Heights-University Heights School District

Per Pupil Cost

Year	General Fund Expenditures (1)	Average Daily Student Enrollment (2)	Per Pupil Cost	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students who Receive Free or Reduced Lunch (3)
1998	\$ 71,542,705	6,899	\$ 10,370	4.54%	619	11.15	N/A
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

Source: School District Records

(1) Includes other financing uses. 1999 through 2006 reported on the modified accrual basis of accounting; all others reported on cash basis.

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

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

N/A – Information not available.

Cleveland Heights-University Heights School District

Teacher Education and Experience

Last Six Fiscal Years Table 18

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

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

Cleveland Heights-University Heights School District

Attendance and Graduation Rates

Last Ten Fiscal Years Table 19

<u>Year</u>	<u>District</u>	<u>State</u>	<u>District</u>	<u>State</u>
	<u>Attendance</u>	<u>Average</u>	<u>Graduation</u>	<u>Average</u>
	<u>Rate</u>		<u>Rate</u>	
1998	94.0%	93.6%	82.5%	80.2%
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	(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 Three Fiscal Years

Table 20

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

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

(1) Includes food services personnel.

Cleveland **Heights**
University



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 challenges. 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 adding four new words: *College ready. Life prepared.*

"With an ever-changing world, our schools are not preparing students for a life in today's world, we are providing support and opportunities for success in the world of tomorrow," Superintendent Deborah S. Delisle said. "In an increasingly complex society, the jobs and expectations for our students have yet to be created. It is up to us to ensure Heights students leave our District as lifelong learners ready to contribute to a global economy."

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.*

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.



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

**Single Audit Reports
June 30, 2007**

Cleveland Heights – University Heights City School District

For the year ended June 30, 2007

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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, 2007, which collectively comprise the District’s basic financial statements and have issued our report thereon dated November 26, 2007. 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.

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.

Board of Education
Cleveland Heights – University Heights
City School District

Compliance and Other Matters

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

We noted certain immaterial instances of noncompliance and other matters that we reported to management of the District, in a separate letter dated November 26, 2007.

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

Cini & Panichi, Inc.

Cleveland, Ohio
November 26, 2007

**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, 2007. 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, 2007.

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 to 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, 2007, and have issued our report there on dated November 26, 2007.

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

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

Ciuni & Panichi, Inc.

Cleveland, Ohio
November 26, 2007

Cleveland Heights – University Heights City School District

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2007

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	\$ -	\$ 101,395	\$ -	\$ 101,395
Nutrition Cluster:						
School Breakfast Program	10.553	05-PU-2006	66,425	-	66,425	-
School Breakfast Program	10.553	05-PU-2007	158,869	-	158,869	-
Subtotal School Breakfast Program			225,294	-	225,294	-
School Lunch Program	10.555	LL-P1-2006	7,084	-	7,084	-
School Lunch Program	10.555	LL-P1-2007	20,197	-	20,197	-
School Lunch Program	10.555	LL-P4-2006	398,721	-	398,721	-
School Lunch Program	10.555	LL-P4-2007	779,214	-	779,214	-
Subtotal National School Lunch Program			1,205,216	-	1,205,216	-
Total Nutrition Cluster			1,430,510	-	1,430,510	-
Total U.S. Department of Agriculture			1,430,510	101,395	1,430,510	101,395
U.S. Department of Education:						
Direct Awards:						
Safe and Drug Free Schools and Communities – Healthy Students Initiative	84.184L	N/A	1,180,925	-	865,085	-
Smaller Learning Communities	84.215L	N/A	74,079	-	130,004	-
Passed-Through Ohio Department of Education:						
Adult Education – State Grant Program	84.002	AB-S1-2006	27,117	-	763	-
Adult Education – State Grant Program	84.002	AB-S1-2007	165,069	-	248,364	-
Total Adult Education – State Grant Program			192,186	-	249,127	-
Title I	84.010	C1-S1-2006	153,240	-	32,701	-
Title I	84.010	C1-S1-2007	938,626	-	890,121	-
Title I	84.010	C1-SN-2006	506	-	906	-
Title I	84.010	C1-SN-2007	50,659	-	52,073	-
Total Title I			1,143,031	-	975,801	-
Special Education Cluster:						
Title VI-B	84.027	6B-SF-2007	1,295,867	-	1,650,094	-
Special Education – Preschool Grant	84.173	PG-S1-2006	41,282	-	40,606	-
Total Special Education Cluster			1,337,149	-	1,690,700	-
Vocational Education	84.048	20-C1-2006	26,627	-	8,469	-
Vocational Education	84.048	20-C1-2007	248,350	-	293,977	-
Total Vocational Education			276,976	-	302,446	-
Drug-Free Schools Grant	84.186	DR-S1-2006	1,863	-	1,130	-
Drug-Free Schools Grant	84.186	DR-S1-2007	24,628	-	25,466	-
Total Drug-Free Schools Grant			26,491	-	26,596	-
Javits Gifted and Talented Students Grant	84.206		8,333	-	9,204	-
Even Start	84.213	EV-S1-2007	102,297	-	111,592	-
Twenty-First Century Community Learning	84.287	T1-A2-2007	197,567	-	219,112	-

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, 2007

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-S1-2006	3,737	-	1,573	-
Innovative Education Program Strategy	84.298	C2-S1-2007	<u>12,618</u>	<u>-</u>	<u>16,047</u>	<u>-</u>
Total Innovative Education Program Strategy			<u>16,355</u>	<u>-</u>	<u>17,620</u>	<u>-</u>
Technology Literacy Challenge Fund Grant	84.318	TJ-51-2006	15,780	-	4,566	-
Technology Literacy Challenge Fund Grant	84.318	TJ-51-2007	<u>14,120</u>	<u>-</u>	<u>15,465</u>	<u>-</u>
Total Technology Literacy Challenge Fund Grant			<u>29,900</u>	<u>-</u>	<u>20,031</u>	<u>-</u>
English Language Acquisition Grant	84.365	TS-S1-2007	<u>1,508</u>	<u>-</u>	<u>1,901</u>	<u>-</u>
Improving Teacher Quality State Grant	84.367	MS-S1-2007	<u>258,391</u>	<u>-</u>	<u>283,921</u>	<u>-</u>
Total U.S. Department of Education			<u>4,845,188</u>	<u>-</u>	<u>4,903,140</u>	<u>-</u>
Corporation for National and Community Service:						
Learn and Serve America	94.004	SV-S1-2006	5,118	-	2,085	-
Learn and Serve America	94.004	SV-S1-2007	<u>1,000</u>	<u>-</u>	<u>1,083</u>	<u>-</u>
Total Learn and Serve America			<u>6,118</u>	<u>-</u>	<u>3,168</u>	<u>-</u>
Total Expenditures of Federal Awards			\$ <u>6,281,816</u>	\$ <u>101,395</u>	\$ <u>6,336,818</u>	\$ <u>101,395</u>

The accompanying notes are an integral part of this schedule.

Cleveland Heights – University Heights City School District

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2007

Note 1: Significant Accounting Policies

Basis of Presentation

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

Non-Cash Support

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

CFDA – Catalog of Federal Domestic Assistance

Cleveland Heights – University Heights City School District

Schedule of Findings

June 30, 2007

1. Summary of Auditors' Results

(d)(I)(i)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Were there any material weaknesses reported for major federal programs?	No
(d)(I)(iv)	Were there any other significant control deficiencies reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .501?	No
(d)(I)(vii)	Major Programs	<ul style="list-style-type: none"> • Vocational Education (CFDA # 84.048) • 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, 2007

The June 30, 2006 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, 2007

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.



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 15, 2008