

Cuyahoga Heights Schools

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2009



**Cuyahoga Heights, Brooklyn Heights, Valley View
Cuyahoga County, Ohio**

**Prepared by
Michael A. Rock, CPA, Treasurer**

4820 East 71st Street, Cuyahoga Heights, OH 44125



Mary Taylor, CPA
Auditor of State

Board of Education
Cuyahoga Heights Local School District
4820 East 71st Street
Cuyahoga Heights, Ohio 44125

We have reviewed the *Independent Accountants' Report* of the Cuyahoga Heights Local School District, Cuyahoga County, prepared by Canter and Associates, for the audit period July 1, 2008 through June 30, 2009. 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 Cuyahoga Heights Local School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 11, 2010

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Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009
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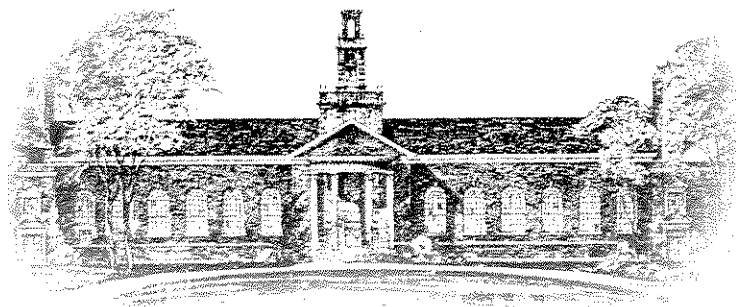
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December 23, 2009

To the Board of Education, administration, taxpayers and residents of the Cuyahoga Heights Local School District:

State law requires that every School district as a local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it 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.

Canter and Associates, Certified Public Accountants, have issued an unqualified ("clean") opinion on Cuyahoga Heights Local School District financial statements for the fiscal year ended June 30, 2009. The independent auditor's 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. Please refer to the Management Discussion and Analysis Section for in-depth descriptions and explanations on the financial results of fiscal year 2009 and management's analysis for the future financial horizon of the District. The Statistical Section of the report will also contain historical information on the demographics of the District.

Background Information on the School District

The Cuyahoga Heights Local School District is one of 614 public school districts in the State of Ohio and one of 31 public school districts in Cuyahoga County. The District is an independent school district. In fiscal year 2008, the district provided education to approximately 888 students in grades K-12, with projected enrollment in the upcoming fiscal years expected to remain fairly consistent with current enrollment. A half-day class for pre-school children is also provided. The district offers programs in general education, special education, vocational education, advanced placement, various extracurricular programs and has an extensive guidance program for students.

The District is located in Cuyahoga County in northeastern Ohio, approximately five miles south of downtown Cleveland. The district's territory encompasses all the territory of the villages of Brooklyn Heights, Cuyahoga Heights, and Valley View. The District was established in 1938 and the first graduating class of the district was the class of 1939. The original buildings were built in 1938; please see the statistical section for individual building dates and sizes.

Statutorily, the District operates under the standards prescribed by the Ohio State Board of Education as provided in Division (D) of section 3301.47 and Section 110.01 of the Ohio Revised Code, to provide educational services authorized and mandated by State and federal agencies. A five member Board of Education serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of the District. Two of the Board members have served seventeen years each, one Board member has served fifteen years, one Board member has served eleven years, and one Board member has served three years.

The Superintendent is the Chief Executive Officer of the District. The Superintendent administers, as chief school executive on a daily basis, the development and maintenance of a positive educational program designed to meet the needs of the community and to carry out the policies of the Board and execute Board decisions. The Superintendent is also the purchasing agent of the District and designated Public Relations representative for the District. The Treasurer is the Chief Fiscal Officer of the District. The Treasurer is required to carry out the many regulations enacted under authority of the Auditor of State, State Department of Education, County Auditor, Secretary of State, Board of Tax Appeals and other state, local and federal agencies. These duties include maintaining the financial records of the District, accounting and reporting for the District, acting as the custodian of all District funds, and investing idle funds as specified by law.

The Reporting Entity

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units.

Excluded from the reporting entity because they are fiscally independent of the District, are the Village of Cuyahoga Heights, the Village of Brooklyn Heights, the Village of Valley View, the Parent-Teacher Association, and the Booster Clubs. NEOnet and the Cuyahoga Valley Career Center are reported as a joint venture without equity interest and a jointly governed organization, respectively. The District is a member of the Ohio Schools' Council, a jointly governed organization, and participates in the Ohio Schools' Council electric and natural gas purchasing program, as well as the property and fleet insurance programs. The District also participates in the Ohio School Boards Association Workers' Compensation Group Rating Program and the Suburban Health Consortium, both of which are insurance purchasing pools. See Note 2 of the notes to the basic financial statements for further detail on the District's reporting entity.

Financial Condition

The majority of the tax valuation for the District is industrial and other manufacturing / business property. As a result, the major source of revenue for the District is local taxes from commercial property and personal tangible property of businesses. The District currently has a healthy five year forecast with three of the next fiscal years projected with a positive ending fund balance on the cash basis of accounting for the General Fund. However, the district has various financial challenges that are listed in the MD&A section. The financial challenges section in the MD&A also describes management's initiatives to counter act the financial challenges. The local economy is currently in an eroding tax base due to the housing market and House Bill 66. All in all, the District continues to be a commercial hub with three times the number of residents traveling into the district to work.

The three villages in the District have granted various tax abatements to multiple business taxpayers in the District. As these abatements expire, the district will enjoy an increase in tax revenue. However, many of the abatements were for personal property taxes that are being eliminated by House Bill 66. Therefore, the actual increases in tax revenue will be lower than the anticipated increases.

Long-term Financial Planning

Long-term financial planning is accomplished primarily through the use of the five year forecast. Please refer to the Management Discussion and Analysis section entitled budgeting for a detailed description. Overall, the budget is created utilizing the effective mil rates and layers of taxable property to project the major source of revenue, local taxes. Expenditures are projected utilizing current negotiated agreements and staffing levels for the major expenditures associated with services. The long-term financial planning also incorporates current events in legislation or substantial evidence that will affect revenue or expenditures. A high level of conservatism is applied to assumptions without substantial corroborating evidence throughout all projections. As stated above, the District has a healthy five year forecast. The District is proactive in planning for the future. The five-year forecast is analyzed and adjusted as major events occur in addition to the minimum reporting requirements of October and May. In addition, the District develops its spending plan based on the projections in the five year forecast. The appropriations

on the Uniform Accounting State Software System are tied to the five year forecast for the General Fund and Bond Fund activity.

Relevant Financial Policies

The permanent appropriations are approved by the Board by September 30th of each fiscal year. All revenues and expenditures of the District are approved and reviewed by the Board at each monthly Board meeting. The Treasurer is authorized to make edits to appropriations prior to the Board meeting but must submit the adjustments at month end for final Board approval. All contracts and agreements are brought to the Board for review and authorization. The Board establishes a tax budget in January and reviews and approves the tax rates from the county auditor for the District. A requisition and purchase order process is strictly adhered to requiring the authorization of the superintendent as purchasing agent for the Board. The District follows the compliance requirements established by Ohio Revised Code and the Auditor of State. The Board reviews and adopts Board policies as legislation or current events change the financial reporting and standards for school districts.

Major Initiatives

The mission of the Cuyahoga Heights Local School District is to develop life-long learners with a positive self-concept who see themselves as active participants in a global community and who are, therefore, economically productive, socially and environmentally responsible, and appreciative of the unique contributions of each culture that comprise that community. The Board of Education also adopted seven Academic Strategic Plan Goals, which were developed by a collaborative effort of administrators, teachers and community. This plan has become the blueprint for achieving academic excellence. The plan focuses on teaching strategies, curriculum, and instruction. The plan also gives a clear vision and sense of the intended future and why.

The seven Academic Strategic Plan Goals are as follows.

1. To develop a "Blueprint for Success" for all children.
2. To raise expectations and achievement levels in all children.
3. To emphasize and incorporate basic skills through problem-solving and decision-making.
4. To integrate technology as a teaching and learning tool into the curriculum, instruction and assessment.
5. To develop stronger communications between students, parents and teachers in all personal and academic matters.
6. To encourage more parent involvement into all phases of their child's development.
7. To assess or audit the curriculum more frequently.

The Board of Education and District is fully committed to the mission statement and strategic plan listed above. Decisions are based on accomplishing the academic goals listed above.

Awards and Acknowledgements

The District received many awards and acknowledgements during fiscal year 2009 which are described in further detail below.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cuyahoga Heights Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. 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 that 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 (ASBO) has awarded a Certificate of Excellence in Financial Reporting to the Cuyahoga Heights Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. The award is granted only after an extensive review of the report by an expert panel of Certified Public Accountants and practicing school business officials. We believe that our current CAFR will again meet the Certificate of Excellence program's requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

The Cuyahoga Heights High School, Middle School and Elementary School were all awarded the Blue Ribbon Schools of Excellence distinction. With each school a Blue Ribbon School of Excellence, the Cuyahoga Heights School District has the unique distinction of each school in the District being recognized as Blue Ribbon.

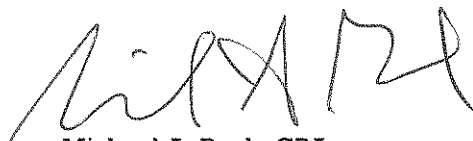
Four of the five Board Members were awarded certificates for "Award of Achievement", "Board Leadership Academy" and/or the "Master Board Member Achievement Award" from the Ohio School Board Association in the 2009 fiscal year. The District was the only Board of Education in the State of Ohio for fiscal year where four Board Members received the OSBA awards. These awards are based on the number of points earned through attendance at seminars related to School Business or service in various capacities as a Board member. Board President, Reno Contipelli received the All-Ohio Board Award and the prestigious Northeast Region Outstanding Board Member Award in 2009.

The William M. Jones Harvard Business School Club of Northeastern Ohio presented the "Excellence in School Management Award" to the Cuyahoga Heights Schools District and the Cuyahoga Heights Elementary School. The Cuyahoga Heights music program was awarded the Best 100 Communities for Music Education. Also, Cuyahoga Heights Schools was one of eight schools in Ohio that were recognized by U.S News as a Bronze High School out of 21,000 schools across the nation. The Ohio Elementary Principals Association presented the Hall of Fame Award to the Elementary and Middle Schools in fiscal year 2009.

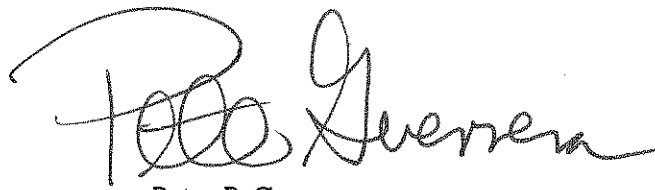
Various other awards for the school district include the following awards and recognition listed as follows. Newsweek magazine ranked Cuyahoga Heights High School in the top 1,300 high schools out of 35,000 schools nationwide for the fourth year in a row. The District received an "Excellence Rating" by the State Department of Education for the seventh year in a row. The Food Service Program was awarded the Governor's Gold Medal Award from "Buckeye Best" for promoting wellness and offering nutritious meals in a healthy eating environment. Also, the high school and middle school were one of only a handful of schools awarded the "Harold A. Meyer Sportsmanship Award" by the Ohio School Athletic Association in fiscal year 2009, for the fifth year in a row. Last but not least, the District was selected for the ninth year in a row to showcase "Student Achievement" at the Ohio School Boards Association in Columbus during fiscal year 2008.

The publication of this report significantly increases the accountability of the district to the taxpayers and community in the District. This report would not be complete without the extensive efforts contributed by the Treasurer's office staff and the administration offices of the District. Special appreciation is expressed to Canter and Associates CPAs for auditing this report. Finally, sincere appreciation is extended to the Board of Education for their interest in and support of this project.

Sincerely,



Michael A. Rock, CPA
Treasurer



Peter P. Guerrero
Superintendent

Cuyahoga Heights Local School District

List of Principal Officials

June 30, 2009

Board of Education

Mr. Reno Contipelli – President
Mr. Ron Krzynowek – Vice President
Dr. Stephen Kenzig - Member
Mr. James McManus - Member
Mr. Kenneth Perk – Member

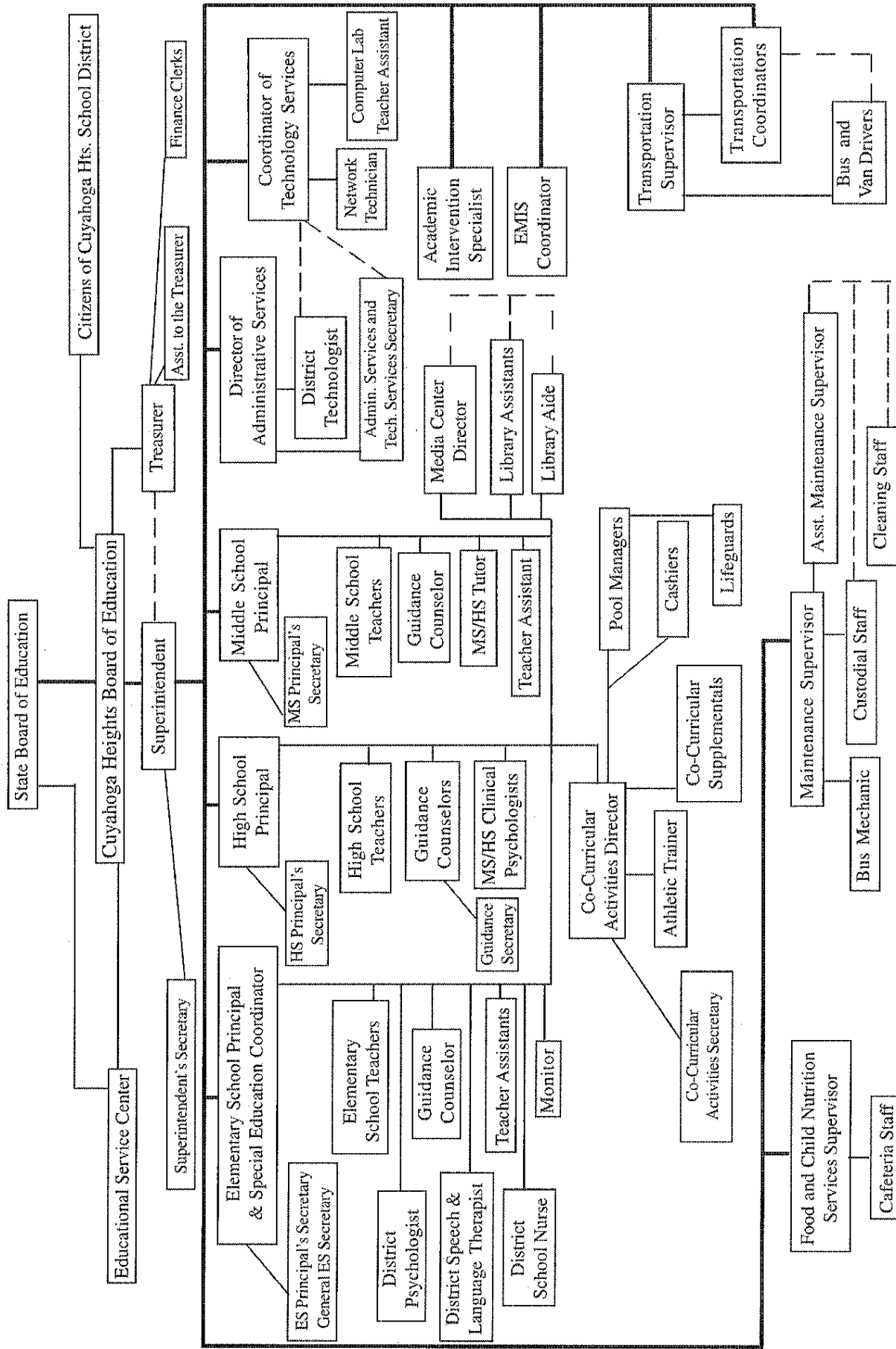
Treasurer

Mr. Michael A. Rock, CPA

Administration

Mr. Peter P. Guerrera – Superintendent

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cuyahoga Heights Local School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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

CUYAHOGA HEIGHTS SCHOOLS

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2008

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

Angel Peteman

President

John D. Munn

Executive Director



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Poland, Ohio 44514
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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Education
Cuyahoga Heights Local School District
4820 East 71st Street

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cuyahoga Heights Local School District (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 Standard*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2009, 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 January 6, 2010 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 13, are 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, other 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 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 and statistical sections 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.

CANTER & ASSOCIATES

A handwritten signature in blue ink that reads "Canter & Assoc" with a stylized flourish at the end.

Poland, Ohio
January 6, 2010

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

The Management's Discussion and Analysis of the Cuyahoga Heights Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2009. 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, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- In total, net assets of governmental activities decreased \$923,877 which represents a substantial change from the \$1,117,392 increase in fiscal year 2008. This decrease is due to the accumulation of various financial events such as: the elimination of growth in tax revenue by House Bill 66, decreases in revenue sharing due to the current economy, aging levy cycles, the effects of House Bill 920 on aging levies, low interest rates, the increase of the major expenditures for the District and capitalization of \$1M in energy building permanent improvements in the prior year.
- General revenues accounted for \$15,072,728 in revenue or 93 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,219,172 or 7 percent of total revenues of \$16,291,900.
- The District had \$17,215,777 in expenses related to governmental activities; only \$1,219,172 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 \$15,072,728 were not adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund balance decreased \$696,764, or 9 percent during the fiscal year due to spending more than total revenues. The other governmental funds decreased \$246,043 or 18 percent due to the completion of large multi-year permanent improvement projects associated with technology (High School Lap Top program and classroom smart boards) and substantial decreases in Revenue Sharing (the primary source of revenue for the largest other governmental fund) due to the current economy. Revenue Sharing depends heavily on the payroll and employment figures of various businesses with tax abatement agreements in the three villages of the District.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2009?" The Statement of Net Assets and the Statement of Activities helps to answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's Statement of Net Assets and Statement of Activities can be found on pages 14 and 15 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page 9. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focuses on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial 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 fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 16 through 20 of this report.

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for insurance benefits. The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 24 and 25. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 26-56 of this report.

The District as a Whole

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 fiscal year 2009 and 2008.

	Net Assets		
	Governmental	(Restated) Governmental	
	Activities	Activities	Increase
	2009	2008	(Decrease)
Assets			
Current and other assets	\$18,851,116	\$21,002,040	(\$2,150,924)
Capital assets	6,944,730	6,664,375	280,355
Total assets	25,795,846	27,666,415	(1,870,569)
Liabilities			
Current liabilities	9,971,878	10,260,648	(288,770)
Long-term liabilities	4,736,048	5,393,970	(657,922)
Total liabilities	14,707,926	15,654,618	(946,692)
Net Assets			
Invested in capital			
assets, net of related debt	3,676,692	2,921,927	754,765
Restricted	1,166,986	1,416,673	(249,687)
Unrestricted	6,244,242	7,673,197	(1,428,955)
Total net assets	\$11,087,920	\$12,011,797	(\$923,877)

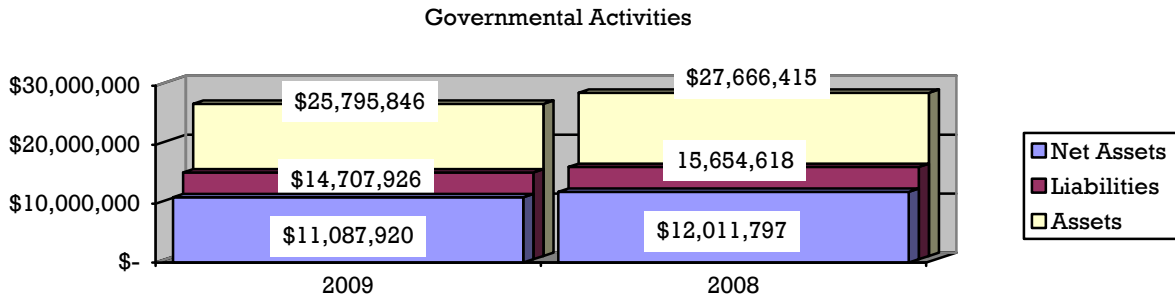
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Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by \$11,087,920 and unrestricted net assets were \$6,244,242. The decrease in net assets is due to the multiple financial events listed on page 3 in the financial highlights and further discussed in Governmental Activities on page 7. These financial events include: the elimination of growth in tax revenue by House Bill 66, decreases in revenue sharing due to the current economy, aging levy cycles, the effects of House Bill 920 on aging levies, low interest rates, the increase of the major expenditures for the District and capitalization of \$1M in energy building permanent improvements in the prior year.

At year-end, capital assets represented 27 percent of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2009, were \$3,676,692. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$1,166,986, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$6,244,242 may be used to meet the District's ongoing obligations to the students and creditors.



The table below shows the change in net assets for fiscal year 2009 and 2008.

	Change in Net Assets		
	Governmental Activities 2009	(Restated) Governmental Activities 2008	Increase (Decrease)
Revenues			
Program revenues:			
Charges for services and sales	\$877,142	\$856,994	\$20,148
Operating grants and contributions	336,294	138,246	198,048
Capital grants and contributions	5,736	8,564	(2,828)
General revenues:			
Property taxes	10,089,056	12,463,107	(2,374,051)
Grants and entitlements	4,499,771	3,623,298	876,473
Investment earnings	253,128	519,398	(266,270)
Miscellaneous	230,773	63,353	167,420
Gain on Sale of Capital Assets	0	1,284	(1,284)
Total revenues	16,291,900	17,674,244	(1,382,344)

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Change in Net Assets (continued)

	Governmental Activities 2009	(Restated) Governmental Activities 2008	Increase (Decrease)
Expenses			
Program expenses:			
Instruction:			
Regular	\$5,985,013	\$5,794,544	\$190,469
Special	1,424,469	918,337	506,132
Other	92,437	511,308	(418,871)
Support services:			
Pupil	1,555,626	1,404,783	150,843
Instructional staff	874,662	706,863	167,799
Board of education	75,439	70,736	4,703
Administration	1,392,474	1,439,936	(47,462)
Fiscal	583,129	562,305	20,824
Business	143,977	137,018	6,959
Operations and maintenance	1,856,780	2,136,883	(280,103)
Pupil transportation	867,377	914,736	(47,359)
Central	817,592	501,819	315,773
Operations of non-instructional services	140,346	132,732	7,614
Food service operations	324,871	329,448	(4,577)
Extracurricular activities	954,582	889,491	65,091
Interest and fiscal charges	127,003	105,913	21,090
Total expenses	<u>17,215,777</u>	<u>16,556,852</u>	<u>658,925</u>
Change in net assets	(923,877)	1,117,392	(2,041,269)
Net assets at beginning of year	<u>12,011,797</u>	<u>10,894,405</u>	<u>1,117,392</u>
Net assets at end of year	<u>\$11,087,920</u>	<u>\$12,011,797</u>	<u>(\$923,877)</u>

Governmental Activities

Net assets of the District's governmental activities decreased \$923,877. This decrease is due to a decrease in total revenues of \$1,382,344 including a substantial decrease in property taxes. The decrease in property taxes of \$2,374,051 is primarily due to the elimination of Tangible Personal Property taxes by House Bill 66 in the State of Ohio (that tax is no longer collected). Although the State of Ohio is holding school districts harmless by reimbursements reported in state entitlements at an increase of \$876,473, the growth in this tax valuation has been eliminated by HB66 since tax year 2004 which historically has a growth rate as high as 8 percent. In addition, the catastrophic decrease of interest rates to near zero rates of return reduced interest revenue 55 percent. Over \$1M of energy building improvements were capitalized in the prior year creating a net asset counter weight that circumvented the eroding tax base from HB66 in the prior year. Aging levy cycles that are prevented to grow with increased values by the State of Ohio House Bill 920 are also slowing the growth of tax revenue. As a result, the primary source of revenue for the District did not outpace the growth in expenditures for the period ending June 30, 2009. Total governmental expenses of \$17,215,777 were offset by program revenues of \$1,219,172 and general revenues of \$15,072,728. Program revenues supported 7 percent of the total governmental expenses.

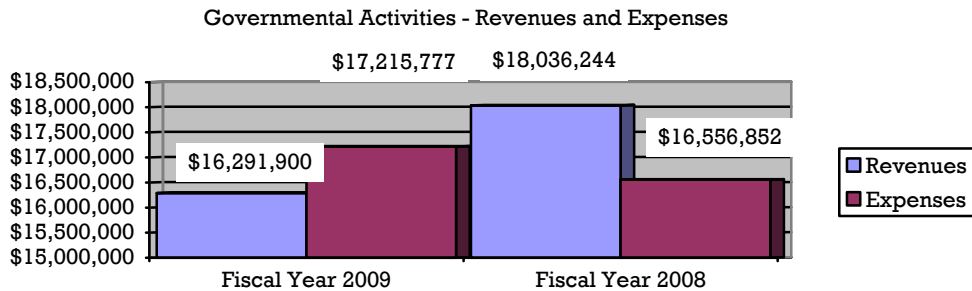
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The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 89 percent of total governmental revenue. Real estate property is reappraised every six years.

The largest expense of the District is for support services, which totaled \$8,167,056, or 47 percent of total governmental expenses. Instruction expenses totaled \$7,501,919, or 44 percent of total governmental expenses for fiscal 2009. One major line item of instruction expenses is Special Education which increased 55 percent the period ending June 30, 2009 for the District.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2009 and 2008.



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. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

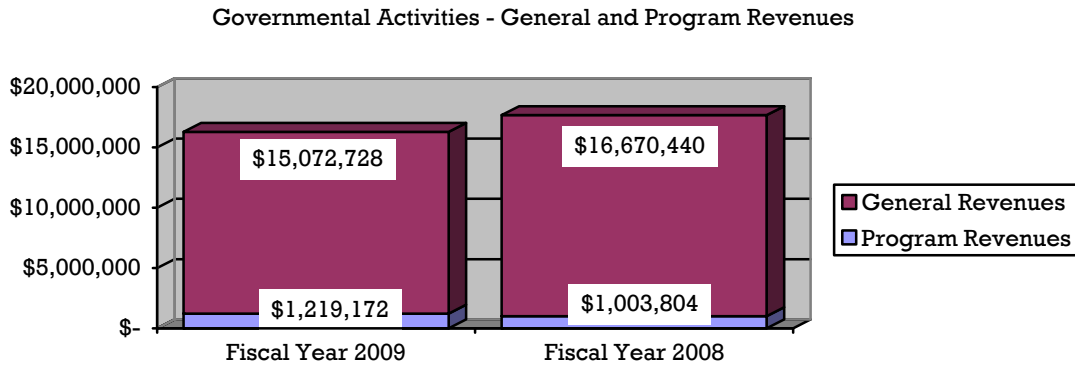
	Governmental Activities			
	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
Program expenses				
Instruction	\$7,501,919	\$7,166,029	\$7,224,189	\$6,944,867
Support services:				
Pupil	1,555,626	1,456,998	1,404,783	1,323,849
Instructional staff	874,662	815,313	706,863	659,472
Board of education	75,439	72,774	70,736	68,371
Administration	1,392,474	1,343,335	1,439,936	1,391,845
Fiscal	583,129	562,628	562,305	543,571
Business	143,977	139,027	137,018	131,712
Operations and maintenance	1,856,780	1,795,260	2,136,883	2,084,901
Pupil transportation	867,377	833,460	914,736	883,556
Central	817,592	797,565	501,819	479,525
Operations of non-instructional services	140,346	136,978	132,732	129,068
Food service operations	324,871	20,508	329,448	31,749
Extracurricular activities	954,582	729,727	889,491	774,649
Interest and fiscal charges	127,003	127,003	105,913	105,913
Total expenses	\$17,215,777	\$15,996,605	\$16,556,852	\$15,553,048

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For fiscal year 2009, general revenue supported 87 percent of all the District's expenses. The dependence upon property tax to support the governmental activities of the District is apparent as they account for more than 62 percent of all the District's revenues. The District's taxpayers, as a whole, are by far the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2009 and 2008.



The District's Funds

The District's governmental funds (as presented on the Balance Sheet Governmental Funds) reported a combined fund balance of \$7,914,423, which is lower than last year's restated total of \$8,857,230 by 11 percent. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2009 and 2008.

	Fund Balance June 30, 2009	(Restated) Fund Balance June 30, 2008	Increase (Decrease)
General	\$6,784,941	\$7,481,705	(\$696,764)
Other Governmental	1,129,482	1,375,525	(246,043)
Total	\$7,914,423	\$8,857,230	(\$942,807)

General Fund

During fiscal year 2009, the District's general fund balance decreased by \$696,764, revenues increased by \$128,987, however, expenditures also increased by \$831,712. The primary reasons for these financial events is the combination of the elimination of Tangible Personal Property Taxes from House Bill 66, the elimination of growth in Tangible Personal Property Taxes from HB 66 since the values are fixed since 2004, the substantial increase of 55 percent in the cost of special education, catastrophic decreases in interest rates for investment revenue, decreases in Revenue Sharing revenue due to the current economy, aging levy cycles without growth for revaluations due to House Bill 920 in the State of Ohio and fact that there were a significant amount of building improvements capitalized in the prior year that increased net assets at the beginning of the year compared to this current year. This is the first year in sometime that expenditures have outpaced the growth of revenue. In the past, the District has been balancing its budget by spending less than total revenues over the past three years. Various major expenditure savings policies have been applied to the District's budget with great success. The District has utilized various phases of energy conservation permanent improvements that decrease utility expenditures and yet maintain the buildings. House Bill 264 for the State of Ohio offers low cost financing for governments and the program requires an extensive analysis of verifiable savings that are

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audited annually to confirm energy savings. The first phase, ten years ago, saved the District \$1.6 million. The most recent four years of utility expenditures have remained relatively flat in comparison to the current industry trends of substantial rising costs for utilities. Therefore, the program is definitely succeeding in controlling utility costs. In addition, the District utilizes a negotiated Early Retirement Incentive Program for the professional staff yielding extensive savings in payroll. Payroll expenses have relatively been flat over the past five years. In fact, the average increase has been well below inflation at about 1.5 percent or lower. The use of these expenditure policies has extended the operating lives of the District's existing levies and also these policies have counteracted the recent environment of eroding tax revenues for the District.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$9,370,714	\$10,064,003	(6.9) %
Tuition	507,202	467,495	8.5 %
Earnings on investments	251,086	513,086	(51.1) %
Intergovernmental	4,487,996	3,611,142	24.3 %
Other revenues	209,818	42,103	398.3 %
Total	\$14,826,816	\$14,697,829	0.9 %
<u>Expenditures</u>			
Instruction	7,434,937	7,164,868	3.8 %
Support services	7,018,348	6,608,763	6.2 %
Operation of non-instructional services	92,267	84,102	9.7 %
Extracurricular activities	785,059	721,590	8.8 %
Capital outlay	123,696	43,272	185.9 %
Total	\$15,454,307	\$14,622,595	5.7 %

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

The Cuyahoga Heights Local School District utilizes the following concepts for projecting revenue and expenditures:

Tax Revenue - Tax revenue projections are computed by applying the effective milage rates to the most recent tax valuations for the various layers of taxable property listed in the Schedule A from the County Auditor. The Schedule A report from the County Auditor depicts the estimated municipal tax valuations for Agriculture / Residential Property, Other Real Estate Property, Public Utility Tangible Property, and General Tangible Personal Property. The effective milage rates and historical collection rates are applied to each respective layer of taxable property to compute the total projected revenue from local taxes.

Earnings on Investments Revenue - Earnings on investments revenue are projected based on investments maturing in the current fiscal year and the amounts available for investment applied to current interest rate trends for the current fiscal year.

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Intergovernmental – State Revenue - Revenue projections from State intergovernmental sources are projected based on substantial current source State reports such as the SF-3 reports, State Grants, and the HB66 hold harmless reimbursement schedule from the Ohio Department of Taxation. In addition, historical collections and settlement statements from the County Auditor are utilized for the homestead exemption rollback projections. The electric deregulation revenue projection is based on the amounts reported on the Ohio Department of Taxation spreadsheet.

Other Revenue Sources - Other revenue sources are projected based on historical collections and current activity or student count information.

Instruction Expenditures - Instruction expenditures are projected based on current staffing levels, the current negotiated contracts, current purchased service contracts, and anticipated costs for supplies based on individual program needs utilizing a zero-based budgeting system. Historical trends are also utilized.

Support Service Expenditures - Support service expenditures are projected based on current staffing levels, the current negotiated contracts, current purchased service contracts, and anticipated costs for supplies based on individual program needs utilizing a zero-based budgeting system. Historical trends are also utilized.

Other Expenditures - Other expenditures are based on historical trends, anticipated needs utilizing a zero-based budgeting system, negotiated supplemental contracts for extracurricular activities, and substantial current information on future costs.

Budgeted Revenues - During the course of fiscal year 2009, the District amended its general fund budget numerous times. For the general fund, the final budgeted revenues and other financing sources were \$14,125,359 which is lower than the original budgeted revenues estimate of \$14,167,504. The final budgeted revenue amount includes revenue sources that were anticipated at the beginning of the year but not realized by the end of the year. Actual revenues and other financing sources for the general fund for fiscal year 2009 was \$14,125,359.

Appropriations - General fund original appropriations (appropriated expenditures plus other financing uses) of \$15,671,591 were increased to \$15,838,857 in the final appropriation due primarily to the completion of substantial technology instructional supplies to support the use of technology in our classrooms and to complete the major two year program of Digital Academy. The actual budget basis expenditures and other financing uses for fiscal year 2009 totaled \$15,553,396, which is less than the year end final budget appropriations. The original appropriations were based on conservative estimates at the beginning of the fiscal year based on anticipated expenditures. Also, the use of conservative estimates assists in projecting anticipated liabilities of the District. The final amended certificate of estimated resources and final appropriations document is actually submitted to the County Auditor after the year end close in July, yet this report utilizes the last amended certificate of resources filed by the fiscal year end of June 30th. As a result, the last amended certificate in June contains estimates for the final days of June and the amounts are pre year end close adjustments.

Capital Assets

At the end of fiscal year 2009, the District had \$6,944,730 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2009 balances compared to 2008:

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Capital Assets at June 30 (Net of Depreciation)

	2009	2008
Land	\$798,600	\$798,600
Construction in progress	0	1,218,150
Land improvements	438,076	491,943
Building and improvements	4,321,944	3,062,970
Furniture and equipment	1,062,173	692,526
Vehicles	323,937	400,186
Total	<u>\$6,944,730</u>	<u>\$6,664,375</u>

Total additions to capital assets for 2009 were \$704,193. The overall increase in capital assets of \$280,355 is primarily due to additions of \$120,570 for additional building improvements and \$583,623 for primarily technology equipment being offset by current year depreciation of \$423,838. In the previous fiscal year, the School District entered into two capital leases for various building improvements in the amount of \$1,218,150 which were also completed and put into service. See Note 11 to the basic financial statements for additional information on the District's capital assets.

Long-term debt activity

At June 30, 2009, the District had \$1,317,610 in current general obligation bonds, series 2004 outstanding. Of this total, \$350,000 of principal is due within one year and \$375,000 is for capital appreciation refunding bonds, due in 2013. These are bonds that accrete in value until the maturity date. The bonds were originally purchased for a major building improvement 15 years ago in the Elementary School. The original bonds from 1993 were refinanced in 2003 and noted as the 2004 series. See Note 12 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The most significant challenge for the District is to continue providing services with a budget that is shrinking due to decreases in funding from an eroding tax base. The District has to deal with the rising costs of goods and services due to inflation and also the reductions of revenue generated from a shrinking tax base. The effects of a bankruptcy in 2000 by the second largest tax payer in the district are still being felt in the trend of decreasing tax revenues. However, the write off in the prior year will put this transaction to rest. In addition, the potential growth in personal property taxes has been eliminated by House Bill 66 as further described below. The District's fiscal health depends on an efficient budgeting process and the utilization of programs that reduce costs such as: House Bill 264, consortiums and diligent cost analysis.

An Eroding Tax Valuation Environment:

The District is faced with a very challenging financial scenario in an eroding tax environment. The overall tax valuation has decreased from \$540,280,624 in 2000 to \$365,281,845 in 2009. One mil of tax valuation is generating less and less revenue for the District. Although House Bill 66 is reimbursing the District on the loss of Personal Property Tax Revenue, the potential growth in this tax revenue is still reduced since the reimbursements are based on the 2004 base tax year. The District has historically seen increases in Personal Property Taxes in the range of 3 to 5 percent. House Bill 66 greatly reduces and eliminates the potential growth in Personal Property Taxes during the phase out years. By 2018, an annual revenue stream of approximately \$4,000,000 will be eliminated from the revenue sources of the District. The State of Ohio has yet to declare that the new Commercial Activity Tax will be allocated to school districts. Presently, the CAT tax is funding the hold-harmless reimbursement payments for HB66.

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As a result, the District can not count on the CAT tax as a future revenue source. Recently, House Bill 1 in the State of Ohio has extended the hold harmless reimbursements as mentioned above until fiscal year 2013. The extension will preserve approximately \$4,000,000 in tax revenues in those phase out years, but in FY 2014 the phase out will be in effect at a 52% reduction. The District will lose \$18,000,000 in the phase-out years due to House Bill 66. The District continues to monitor the success of various school organizations and coalitions that are educating the State of Ohio on the drastic effects of the phase-out of the 100% reimbursements for House Bill 66. In addition, the current housing market decline is affecting the historical average of 8 to 11 percent increases in value for revaluation years. Due to the housing environment, real estate taxes are not projected to grow.

House Bill 264 Projects:

The District has utilized the House Bill 264 program with the State of Ohio to reduce utility and maintenance expenditures through energy performance projects within the HB264 program. The HB264 program is a state house bill that allows special financing opportunities for energy conservation permanent improvements in school districts. A recent phase of projects initiated in 2007 will encompass \$970,000 of heating, air condition, and lighting improvements. This project saved the District \$110,000 which is higher than the \$97,000 original projection, more than paying for the annual lease payment of \$87,000. The savings is expected to increase over the next fifteen years. The prior phase of HB264 improvements originally projected to save the district \$1,189,000 in the past ten years actually provided \$1,377,000 in savings. Completing necessary building improvements under the HB 264 program improves the cash-flow of the District and also reduces expenditures.

The future of State Funding may greatly affect the financial horizon of the District. The State of Ohio was found by the Ohio Supreme Court to be operating an unconstitutional education system in regards to the funding formula. Currently an initiative is actively seeking a restructuring of the State Funding formula and Cuyahoga Heights Schools is one of multiple districts in Ohio that passed a Board Resolution supporting the campaign. However, the future is uncertain and there may be a risk of a redistribution of tax revenues for school districts in Ohio. This would be catastrophic to the District since tax revenues are the primary source of revenue. The recent passage of House Bill 1 by the State of Ohio has completely changed the State school funding. This new funding mechanism (PASS) will be in effect for the 2010 fiscal year. The new system provides funding based on teachers instead of funding based on a per student formula.

The District commits itself to a high level of financial stability and financial reporting. The District has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for nine consecutive years. Also, the District has been awarded the State Auditor of Ohio "Making Your Tax Dollars Count Award" for fiscal years ending 2006 to 2008. The due diligence of the Board of Education, administration, Treasurer, Superintendent, community and finance committee contributes to the financial success of the District and prudent financial decisions for the District.

Contacting the District's Financial Management

This financial report is designed to provide our administration, Board of Education, community, taxpayers, creditors and investors with a general overview of the District's finances and to show the District's accountability for revenue and expenditures. If you have questions about this report or need additional financial information contact Michael A. Rock, CPA, Treasurer, Cuyahoga Heights Local School District, 4820 E. 71st Street, Cuyahoga Heights, Ohio, 44125-1095, (216) 429-5800 Treasurer's Office.

Cuyahoga Heights Local School District

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Statement of Net Assets

June 30, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$8,203,734
Accrued Interest Receivable	25,620
Accounts Receivable	133,947
Intergovernmental Receivable	3,604
Property Taxes Receivable	10,391,753
Inventory Held for Resale	2,532
Materials and Supplies Inventory	56,341
Prepaid Items	33,585
Nondepreciable Capital Assets	798,600
Depreciable Capital Assets, Net	6,146,130
<i>Total Assets</i>	<u>25,795,846</u>
Liabilities	
Accounts Payable	265,623
Accrued Wages Payable	1,664,520
Intergovernmental Payable	318,311
Matured Compensated Absences Payable	101,386
Early Retirement Incentive Payable	54,000
Unearned Revenue	7,532,193
Accrued Interest Payable	20,376
Claims Payable	15,469
Long-Term Liabilities:	
Due Within One Year	795,697
Due In More Than One Year	3,940,351
<i>Total Liabilities</i>	<u>14,707,926</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	3,676,692
Restricted for:	
Debt Service	920,512
Uniform School Supplies	2,897
Public School Support	39,061
Other Purposes	134,257
Set-asides	70,259
Unrestricted	6,244,242
<i>Total Net Assets</i>	<u>\$11,087,920</u>

See accompanying notes to the basic financial statements

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Statement of Activities
For the Fiscal Year Ended June 30, 2009

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets	
			Capital Grants and Contributions	Governmental Activities	
Governmental Activities					
Current:					
Instruction:					
Regular	\$5,985,013	\$205,801	\$5,072	\$0	(\$5,774,140)
Special	1,424,469	47,580	74,171	0	(1,302,718)
Other	92,437	3,266	0	0	(89,171)
Support Services:					
Pupils	1,555,626	82,534	16,094	0	(1,456,998)
Instructional Staff	874,662	32,190	27,159	0	(815,313)
Board of Education	75,439	2,665	0	0	(72,774)
Administration	1,392,474	49,139	0	0	(1,343,335)
Fiscal	583,129	20,501	0	0	(562,628)
Business	143,977	4,950	0	0	(139,027)
Operation and Maintenance of Plant	1,856,780	61,520	0	0	(1,795,260)
Pupil Transportation	867,377	28,181	0	5,736	(833,460)
Central	817,592	11,027	9,000	0	(797,565)
Operation of Non-Instructional Services	140,346	3,368	0	0	(136,978)
Operation of Food Services	324,871	252,898	51,465	0	(20,508)
Extracurricular Activities	954,582	71,522	153,333	0	(729,727)
Interest and Fiscal Charges	127,003	0	0	0	(127,003)
<i>Total Governmental Activities</i>	<u>\$17,215,777</u>	<u>\$877,142</u>	<u>\$336,294</u>	<u>\$5,736</u>	<u>(15,996,605)</u>
General Revenues					
Property Taxes Levied for:					
					8,529,495
					393,017
					1,166,544
					4,499,771
					253,128
					230,773
<i>Total General Revenues</i>					<u>15,072,728</u>
					(923,877)
					12,011,797
					<u>\$11,087,920</u>

See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Balance Sheet
Governmental Funds
June 30, 2009*

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,903,070	\$1,181,363	\$8,084,433
Accrued Interest Receivable	25,620	0	25,620
Accounts Receivable	13,734	120,213	133,947
Interfund Receivable	164,126	0	164,126
Intergovernmental Receivable	0	3,604	3,604
Property Taxes Receivable	9,930,588	461,165	10,391,753
Inventory Held for Resale	0	2,532	2,532
Materials and Supplies Inventory	54,629	1,712	56,341
Prepaid Items	10,507	23,078	33,585
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	70,259	0	70,259
Total Assets	<u><u>\$17,172,533</u></u>	<u><u>\$1,793,667</u></u>	<u><u>\$18,966,200</u></u>
Liabilities			
Accounts Payable	\$160,370	\$105,253	\$265,623
Accrued Wages	1,650,493	14,027	1,664,520
Intergovernmental Payable	312,837	5,474	318,311
Matured Compensated Absences Payable	101,386	0	101,386
Interfund Payable	0	164,126	164,126
Deferred Revenue	8,108,506	375,305	8,483,811
Early Retirement Incentive Payable	54,000	0	54,000
Total Liabilities	<u><u>10,387,592</u></u>	<u><u>664,185</u></u>	<u><u>11,051,777</u></u>
Fund Balances			
Reserved for Encumbrances	172,173	24,648	196,821
Reserved for Prepays	10,507	23,078	33,585
Reserved for Bus Purchases	15,115	0	15,115
Reserved for Bureau of Workers' Compensation Refunds	55,144	0	55,144
Reserved for Property Taxes	1,151,772	59,337	1,211,109
Unreserved:			
Undesignated, Reported in:			
General Fund	5,380,230	0	5,380,230
Special Revenue Funds	0	169,983	169,983
Debt Service Funds	0	939,507	939,507
Capital Projects Funds	0	(87,071)	(87,071)
Total Fund Balances	<u><u>6,784,941</u></u>	<u><u>1,129,482</u></u>	<u><u>7,914,423</u></u>
Total Liabilities and Fund Balances	<u><u>\$17,172,533</u></u>	<u><u>\$1,793,667</u></u>	<u><u>\$18,966,200</u></u>

See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2009*

Total Governmental Fund Balances	\$7,914,423
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,944,730
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. These deferrals are attributed to property taxes.	951,618
An internal service fund is used by management to charge the costs of dental and vision insurance premiums to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.	33,573
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.	22,641
Unamortized premiums on bond issuances are not recognized in the funds.	(46,474)
In the statement of activities, interest is accrued on outstanding general obligation bonds and leases, whereas in governmental funds, an interest expenditure is reported when due.	(20,376)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(\$1,317,610)
Compensated Absences	(1,279,424)
Early Retirement Incentive	(84,000)
Capital Leases	<u>(2,031,181)</u>
Total	<u>(4,712,215)</u>
 <i>Net Assets of Governmental Activities</i>	 <u><u>\$11,087,920</u></u>

See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$9,370,714	\$1,602,902	\$10,973,616
Tuition and Fees	507,202	0	507,202
Interest	251,086	2,042	253,128
Charges for Services	0	252,898	252,898
Extracurricular Activities	23,921	91,654	115,575
Rentals	1,467	153,333	154,800
Contributions and Donations	72	0	72
Intergovernmental	4,487,996	200,400	4,688,396
Miscellaneous	184,358	46,415	230,773
<i>Total Revenues</i>	<u>14,826,816</u>	<u>2,349,644</u>	<u>17,176,460</u>
Expenditures			
Current:			
Instruction:			
Regular	5,995,696	6,775	6,002,471
Special	1,346,804	73,279	1,420,083
Other	92,437	0	92,437
Support Services:			
Pupils	1,177,440	339,878	1,517,318
Instructional Staff	827,330	39,792	867,122
Board of Education	75,439	0	75,439
Administration	1,374,943	0	1,374,943
Fiscal	583,988	0	583,988
Business	140,077	1,701	141,778
Operation and Maintenance of Plant	1,732,024	70,680	1,802,704
Pupil Transportation	794,971	0	794,971
Central	312,136	481,753	793,889
Operation of Non-Instructional Services	92,267	1,035	93,302
Operation of Food Services	0	333,185	333,185
Extracurricular Activities	785,059	156,831	941,890
Capital Outlay	123,696	580,497	704,193
Debt Service:			
Principal Retirement	0	484,489	484,489
Interest and Fiscal Charges	0	107,154	107,154
<i>Total Expenditures</i>	<u>15,454,307</u>	<u>2,677,049</u>	<u>18,131,356</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(627,491)</u>	<u>(327,405)</u>	<u>(954,896)</u>
Other Financing Sources (Uses)			
Transfers In	12,089	81,362	93,451
Transfers Out	(81,362)	0	(81,362)
<i>Total Other Financing Sources (Uses)</i>	<u>(69,273)</u>	<u>81,362</u>	<u>12,089</u>
<i>Net Change in Fund Balances</i>	<u>(696,764)</u>	<u>(246,043)</u>	<u>(942,807)</u>
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	7,481,705	1,375,525	8,857,230
<i>Fund Balances End of Year</i>	<u>\$6,784,941</u>	<u>\$1,129,482</u>	<u>\$7,914,423</u>

See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*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, 2009*

Net Change in Fund Balances - Total Governmental Funds (\$942,807)

***Amounts reported for governmental activities in the
statement of activities are different because***

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	\$704,193
Current Year Depreciation	(423,838)

Total	280,355
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(884,560)
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Repayment of long-term debt and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

484,489

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.

Accrued Interest on Bonds	1,828
Accreted Interest on Bonds	(29,622)
Amortization of Premium on Bonds	15,492
Amortization of Bond Issuance Costs	(7,547)

Total	(19,849)
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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	109,922
Early Retirement Incentive	55,000

Total	164,922
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The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(6,427)

<i>Change in Net Assets of Governmental Activities</i>	<i>(\$923,877)</i>
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See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$8,569,965	\$8,364,607	\$8,364,607	\$0
Tuition and Fees	467,502	514,799	514,799	0
Interest	380,000	196,794	196,794	0
Rentals	1,950	1,467	1,467	0
Contributions and Donations	0	62	62	0
Intergovernmental	4,441,407	4,503,606	4,503,606	0
Miscellaneous	299,097	81,701	81,701	0
Employee Share Medical Premiums Reclassification	0	437,197	437,197	0
<i>Total Revenues</i>	<u>14,159,921</u>	<u>14,100,233</u>	<u>14,100,233</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	6,186,295	6,006,707	5,987,991	18,716
Special	1,468,990	1,419,573	1,342,272	77,301
Other	93,541	92,437	92,437	0
Support Services:				
Pupils	1,061,316	1,171,491	1,168,483	3,008
Instructional Staff	633,072	785,930	782,453	3,477
Board of Education	53,395	74,861	73,647	1,214
Administration	1,454,623	1,447,421	1,428,969	18,452
Fiscal	677,320	574,903	573,745	1,158
Business	151,349	145,800	135,676	10,124
Operation and Maintenance of Plant	1,854,372	1,804,241	1,714,347	89,894
Pupil Transportation	797,543	861,600	839,901	21,699
Central	222,602	354,942	315,374	39,568
Operation of Non-Instructional Services	94,966	86,743	86,743	0
Extracurricular Activities	772,307	784,038	783,188	850
<i>Total Expenditures</i>	<u>15,521,691</u>	<u>15,610,687</u>	<u>15,325,226</u>	<u>285,461</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,361,770)</u>	<u>(1,510,454)</u>	<u>(1,224,993)</u>	<u>285,461</u>
Other Financing Sources (Uses)				
Advances In	7,583	13,037	13,037	0
Advances Out	0	(146,808)	(146,808)	0
Transfers In	0	12,089	12,089	0
Transfers Out	(150,000)	(81,362)	(81,362)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(142,417)</u>	<u>(203,044)</u>	<u>(203,044)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,504,187)</u>	<u>(1,713,498)</u>	<u>(1,428,037)</u>	<u>285,461</u>
<i>Fund Balance Beginning of Year</i>	8,312,265	8,312,265	8,312,265	0
<i>Prior Year Encumbrances Appropriated</i>	384,963	384,963	384,963	0
<i>Fund Balance End of Year</i>	<u>\$7,193,041</u>	<u>\$6,983,730</u>	<u>\$7,269,191</u>	<u>\$285,461</u>

See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

Statement of Fund Net Assets

Proprietary Fund

June 30, 2009

	<u>Internal Service</u>
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$49,042
Current Liabilities	
Claims Payable	<u>15,469</u>
Net Assets	
Unrestricted	<u><u>\$33,573</u></u>

See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Internal Service</u>
Operating Revenues	
Charges for Services	\$131,699
Operating Expenses	
Claims	<u>126,037</u>
<i>Operating Income</i>	5,662
Non-Operating Expenses	
Transfers Out	<u>(12,089)</u>
<i>Change in Net Assets</i>	(6,427)
<i>Net Assets Beginning of Year</i>	<u>40,000</u>
<i>Net Assets End of Year</i>	<u><u>\$33,573</u></u>

See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

Statement of Cash Flows

Proprietary Fund

For the Fiscal Year Ended June 30, 2009

	<u>Internal Service</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Charges for Services	\$131,699
Cash Payments for Claims	<u>(124,247)</u>
<i>Net Cash Provided by Operating Activities</i>	7,452
Cash Flows from Noncapital Financing Activities	
Transfers to Other Funds	<u>(12,089)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(4,637)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>53,679</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$49,042</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$5,662
Adjustments:	
Increase in Claims Payable	<u>1,790</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$7,452</u></u>
 See accompanying notes to the basic financial statements	

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$281,602	\$83,621
Accrued Interest Receivable	1,383	0
<i>Total Assets</i>	\$282,985	\$83,621
Liabilities		
Due to Students	0	\$72,386
Intergovernmental Payable	0	11,235
<i>Total Liabilities</i>	0	\$83,621
Net Assets		
Held in Trust for Scholarships	\$282,985	

See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009

	<u>Private Purpose Trust</u>
Additions	
Interest	\$2,418
Contributions and Donations	<u>9,988</u>
<i>Total Additions</i>	12,406
Deductions	
Scholarships Awarded	<u>14,901</u>
<i>Change in Net Assets</i>	(2,495)
<i>Net Assets Beginning of Year</i>	<u>285,480</u>
<i>Net Assets End of Year</i>	<u><u>\$282,985</u></u>

See accompanying notes to the basic financial statements

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 1 – Description of the School District

The Cuyahoga Heights Local School District (the “District”) is located in Cuyahoga County in the Village of Cuyahoga Heights. The District also serves the Villages of Brooklyn Heights and Valley View. The District serves an area of approximately 11.3 square miles.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District ranks as the 517th largest by enrollment among the 612 public school districts in the state. It currently operates 1 elementary school, 1 middle school and 1 comprehensive high school. The District employs 71 certified (including administrative) and 74 non-certified full-time and part-time employees to provide services to approximately 888 students from pre-school (age 4) to grade 12 and various community groups.

Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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 to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The District’s significant accounting policies are described below.

A - Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity”, and as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units”. The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic 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, foods service, preschool and student related activities of the District.

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; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) 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. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Jointly Governed Organizations

Ohio Schools' Council

The Ohio Schools' Council (the "Council") is a jointly governed organization among 83 school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained by contacting David Cottrell Executive Director of the Ohio Schools Council at 6133 Rockside Road, Independence, Ohio, 44131 (216) 447-3100.

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. The original program ended as December 31, 2008 and a new program has been negotiated of which the District is still a member to enjoy the reduced rates of an electricity consortium.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase 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 district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp. The Energy Acquisition Corp. agreement expired December 31, 2008. The OSC negotiated directly with Duke Energy to receive a substantially discounted rate per electrical unit from First Energy for the OCS consortium members for the next two years starting January 1, 2009 of which as noted above the District is still a member.

The District also participates in the Council's prepaid natural gas program, which was implemented during fiscal year 2000. 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 12 years of natural gas from CMS Energy Corporation 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 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.

Cuyahoga Valley Career Center

The Cuyahoga Valley Career Center (CVCC) is a separate body politic and corporate, established by the Ohio Revised Code to provide for vocational and special education needs of the students. The Board of the CVCC is comprised of representatives from each participating school district and is responsible for approving its own budgets, appointing personnel, and accounting and financing related activities. The District's students may attend the CVCC on a tuition-free basis. Each school district's control is limited to its representation on the board. Financial information can be obtained by contacting the Cuyahoga Valley Career Center, 8001 Brecksville Road, Brecksville, Ohio, 44141.

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEONET) is a jointly governed computer service bureau among eleven public school districts. The primary function of NEONET is to provide data services to the eleven member districts. Major areas of service provided by NEONET include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the NEONET Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Summit County Educational Service Center serves as the fiscal agent of NEONET. Each school district supports NEONET based upon a per pupil charge, dependent upon the software packages used. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio, 44221.

Public Entity Risk Pools

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan") was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

The Plan's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the Plan. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

Suburban Health Consortium

The Suburban Health Consortium (the "Consortium") is a shared health risk pool created on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverage's for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors shall be the governing body of the Consortium. The Board of Education of each Consortium Member shall appoint its Superintendent or such Superintendent's designee to be its representative of the Board of Directors. The District participates in the Consortium for health insurance only.

The officers of the Board of Directors shall consist of a Chairman, Vice-Chairman and Recording Secretary, who shall be elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium shall be exercised by or under the direction of the Board of Directors. The Board of Directors shall also set all premiums and other amounts to be paid by the Consortium Members, and the Board of Directors shall also have the authority to waive premiums and other payments. All members of the Board of Directors shall serve without compensation. The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Lakewood City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement.

Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred eighty (180) days prior to the effective date of withdrawal. Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months.

Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from Richard McIntosh, Fiscal Agent of the Suburban Health Consortium, North Royalton Schools, 6579 Royalton Road, North Royalton, OH 44133.

B - Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes 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 is the District's major governmental fund:

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.

The other governmental funds of the District account for (a) activity relating to the repayment of general long-term debt principal, interest and related costs; (b) grants and other resources whose use is restricted to a particular purpose; and (c) food services and uniform school supplies operations.

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Proprietary Funds

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Fund - The internal service fund is used to account for the financing of services provided by one fund or department to other funds or departments of the District on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides dental and vision insurance benefits to employees.

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's trust funds are private-purpose trusts which account for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has two agency funds to account for District agency services and student activities.

C - Basis of Presentation and Measurement Focus

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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide 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 statements for governmental funds. Like the

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government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund 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 activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund are charges for services. Operating expenses for the internal service fund includes the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The private-purpose trusts are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

D - 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 and fiduciary funds also use the accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal 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 property taxes is recognized in the fiscal year for which the taxes are levied (see Note 7).

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

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

Deferred/Unearned Revenue - Deferred/unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of this current year June 30th, but which were levied to finance the next fiscal year operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities received during the year is reported in the Statement of Revenues, Expenditures and Changes in Fund Balances as an expenditure with a like amount reported as intergovernmental revenue.

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. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

E - Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with Cuyahoga County Budget Commission for rate determination.

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commissions' Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the first and final Amended Certificates issued during the fiscal year.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources

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as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, all supplemental appropriations were legally enacted.

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

F - Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

Investments are limited to nonnegotiable certificates of deposits, U.S. Treasury Bills, Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). 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 deposit are reported at cost.

The District has invested funds in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2009.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents.

An analysis of the District's investment account at fiscal year-end is provided in Note 6.

G - Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories for governmental funds are

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accounted for using the consumption method on the fund financial statements and the government-wide financial statements.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H - Capital Assets

Governmental capital assets are those assets specifically related to governmental activities. 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.

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 \$2,500. 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.

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 method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	25 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 10 years

I - Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column on the Statement of Net Assets.

J - Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, any employee at least 50 years old with at least 10 years of service, or any

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employee with at least 20 years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2009, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K - 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 the internal service fund are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

L. Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the general obligation bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight-line method of amortization is not materially different from the effective-interest method. On governmental fund statements bond issuance costs are expended in the year the bonds are issued.

M. Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized of the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

N - 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 that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, prepaid assets, school bus purchases, Bureau of Workers' Compensation (BWC) refunds, and tax revenue unavailable for appropriation. The reserve for tax revenue unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

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O - 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 enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

P - Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

Q - Estimates

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

R - Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set-aside for Bureau of Workers' Compensation (BWC) refunds. In addition, the District reports restricted assets for school bus purchases. See Note 17 for details.

S - Interfund Activity

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 non-operating revenues/expenses in proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

T - 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 Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2009.

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Note 3 – Change in Accounting Principles and Restatement of Prior Year Fund Balance/Net Assets

A. Change in Accounting Principle

For fiscal year 2009, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions”, Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations”, Statement No. 51, “Accounting and Financial Reporting for Intangible Assets”, Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments”, Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments” and Statement No. 56 “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees’ years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 15) have been modified to conform to the new reporting requirements.

GASB Statement No. 49 establishes accounting and financial reporting requirements for pollution remediation obligations by requiring more timely and complete reporting of the obligations and by requiring all governments to account for pollution remediation obligations in the same manner. The implementation of GASB Statement No. 49 did not result in any changes to the District’s financial statements.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets, which include easements, water rights, timber rights, patents, trademarks, and computer software, to reduce inconsistencies thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The implementation of GASB Statement No. 51 did not result in any changes to the District’s financial statements.

GASB Statement No. 52 establishes consistent standards for the accounting and financial reporting of land and other real estate held as investments by endowments. It requires endowments to report land and other real estate investments at fair value, to report the changes in fair value as investment income, and to disclose the methods and significant assumptions used to determine fair value. The implementation of GASB Statement No. 52 did not result in any changes to the District’s financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles for state and local governments into the Governmental Accounting Standards Board’s authoritative literature. The “GAAP hierarchy” consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of GASB Statement No. 55 did not result in any changes to the District’s financial statements.

GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board’s (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants’ Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles, related party transactions, going concern considerations, and subsequent events. The implementation of GASB Statement No. 56 did not result in any changes to the District’s financial statements.

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B. Restatement of Prior Year Fund Balance/Net Assets

During fiscal year 2009, it was determined that property taxes receivable and property tax revenue were overstated in the general fund and the bond retirement debt service fund in the amount of \$348,221 and \$13,779, respectively. This restatement decreased the general fund balance at June 30, 2008 to \$7,481,705 from \$7,829,926 and also decreased the bond retirement debt service fund balance to \$933,262 from \$947,041.

This restatement also changed net assets at June 30, 2008 from \$12,373,797 to \$12,011,797, or a decrease of \$362,000.

Note 4 – Accountability

Fund balances at June 30, 2009 included the following individual fund deficits:

Nonmajor Governmental Funds:	<u>Deficit</u>
Permanent Improvements	\$45,577
Food Services	11,049
Management Information System EMIS	4,646
Alternative Education	80
Title V Innovative Education	25
Safe and Drug Free Schools	570
Title II-A Improving Teacher Quality	16,723

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. These deficit fund balances are the result of adjustments for accrued liabilities.

Note 5 – Budgetary Basis of Accounting

While the School District is reporting its financial position, results of operations, and changes in fund balance 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 Balance - Budget (Non-GAAP Basis) 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 (modified accrual) basis are as follows:

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 fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions.

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The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

	Net Change in Fund Balance
GAAP Basis	(\$696,764)
Net Adjustment for Revenue Accruals	(726,583)
Advances In	13,037
Advances Out	(146,808)
Net Adjustment for Expenditure Accruals	414,542
Adjustment for Encumbrances	<u>(285,461)</u>
Budget Basis	<u><u>(\$1,428,037)</u></u>

Note 6 – Deposits and Investments

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

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

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

Interim deposits are deposits of interim monies. Interim moneys 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 District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by 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 to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the

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- agreement by at least two percent and be 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 Treasury Asset Reserve of Ohio (STAR Ohio);
 7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date 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 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 to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon confirmation of transfer from the custodian.

A - Cash on Hand

At year-end, the District had \$930 in un-deposited cash on hand which is included on the financial statements of the District as part of "Equity in Pooled Cash and Cash Equivalents."

B - Deposits with Financial Institutions

At June 30, 2009, the carrying amount of all District deposits was \$2,337,509. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009, \$539,892 of the District's bank balance of \$2,420,242 was covered by the Federal Deposit Insurance Corporation, while \$1,880,350 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. As permitted by Ohio Revised Code, collateral is held in single financial institution collateral pools at Federal Reserve Banks, or member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the District's name.

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C - Investments

As of June 30, 2009, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>6 months or less</u>	<u>7 to 12 months</u>
STAR Ohio	\$1,488,753	\$1,488,753	\$0
Federal Home Loan Bank Bonds	1,887,434	472,366	1,415,068
Fannie Mae	689,375	689,375	0
Freddie Mac	1,417,960	499,180	918,780
Federal National Mortgage Assoc.	497,341	0	497,341
Treasury Bills	249,655	249,655	0
	<u>\$6,230,518</u>	<u>\$3,399,329</u>	<u>\$2,831,189</u>

The weighted average maturity of investments is 0.38 years. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$251,086, which includes \$4,460 assigned from other District funds.

Interest Rate Risk: 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 Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The District's investment policy addresses interest rate risk by requiring the consideration of cash flow requirements and market conditions in determining the term of an investment, and limiting investment portfolio maturities to five years or less.

Credit Risk: The District's investments, except for STAR Ohio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Concentration of Credit Risk: The District's investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of market value, or by default. However, the District's investment policy does not place any limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2009:

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<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$1,488,753	23.89%
Federal Home Loan Bank Bonds	1,887,434	30.29%
Fannie Mae	689,375	11.06%
Freddie Mac	1,417,960	22.76%
Federal National Mortgage Assoc.	497,341	7.98%
Treasury Bills	249,655	4.01%
	<u>\$6,230,518</u>	<u>100.00%</u>

D - Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2009:

<u>Cash and Investments per Note Disclosure</u>	
Carrying amount of deposits	\$2,337,509
Investments	6,230,518
Cash on hand	930
Total	<u>\$8,568,957</u>

<u>Cash and Investments per Statement of Net Assets</u>	
Governmental activities	\$8,203,734
Private-purpose trust funds	281,602
Agency funds	83,621
Total	<u>\$8,568,957</u>

Note 7 – Property Taxes

Property taxes are levied and assessed on a calendar year basis while the District 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 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State law at thirty-five 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 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008 and are collected in 2009 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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Tangible personal property tax revenue received during calendar year 2009 (other than public utility property) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. 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, 2009, are available to finance fiscal year 2009 operations. The amount available as an advance at June 30, 2009 was \$1,151,772 in the General fund, and \$59,337 in the Bond Retirement debt service fund (a non-major governmental fund). These amounts are reported as revenue. The amount available for advance at June 30, 2008 was \$762,365 in the General fund, and \$39,293 in the Bond Retirement debt service fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary depending upon when the tax bills are sent by the County Auditor.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009 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 30 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.

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 2009 taxes were collected are:

	Half Collections		Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$312,980,030	80.67 %	\$314,219,970	86.02 %
Public Utility Personal	26,734,530	6.89	27,827,240	7.62
Tangible Personal Property	48,209,520	12.44	23,234,635	6.36
Total	<u>\$387,924,080</u>	<u>100.00 %</u>	<u>\$365,281,845</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$28.80		\$28.90	

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Note 8 - Receivables

Receivables at June 30, 2009 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. 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 receivables reported on the Statement of Net Assets follows:

<u>Governmental Activities:</u>	
Taxes	\$10,391,753
Accounts	133,947
Accrued interest	25,620
Intergovernmental	3,604
Total	\$10,554,924

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

Note 9 – Interfund Transactions

A - Interfund Receivable/Payable

Interfund balances at June 30, 2009 consisted of the following individual interfund loans receivable and payable, as reported on the fund financial statements

	Interfund Receivable	Interfund Payable
Major Governmental Fund:		
General	\$164,126	\$0
Non-major Governmental Funds:		
Permanent Improvement		143,205
Alternative Schools	0	1,584
Title I	0	88
Title V	0	1,160
Drug Free Schools Grant	0	570
Improving Teacher Quality	0	17,519
	\$164,126	\$164,126

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2009 are reported on the Statement of Net Assets.

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B – Interfund Transfers

Interfund transfers for the year ended June 30, 2009 consisted of the following, as reported on the fund financial statements:

	Transfers In	Transfers Out
Major Governmental Fund:		
General	\$12,089	\$81,362
Non-major Governmental Funds:		
District Managed Activity	72,916	0
Uniform School Supplies	136	0
Food Service	8,310	0
Internal Service Fund		
Employee Benefits Self Insurance	0	12,089
	\$93,451	\$93,451

Transfers are used to (1) 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 (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financials. All transfers were made in compliance with Ohio Revised code Sections 5705.14, 5705.15 and 5705.16.

Note 10 – Operating Lease Agreement

During fiscal 1999, the Board of Education entered into a lease agreement with Eller Media (Clear Channel) for outdoor advertising. The total amount of revenue to be received by the District is \$1.62 million dollars over fifteen years. The first payment of \$500,000 was received in July, 1999. The District is scheduled to receive \$50,000 per year in years 6 through 13 of the lease, \$220,000 in year 14, and \$500,000 in year 15. The District received \$50,000 in lease payments during fiscal 2009. The lease is cancelable by either party, requiring only a 30 day notice. Thus, no accrual has been recorded on the Statement of Net Assets. On October 29th 2008, the remaining lease payments from Clear Channel were restructured to \$153,333 per year to year 15. In addition, the lease was extended for 10 more years after the completion of the 15th year at \$130,000 per year for 10 years.

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Note 11 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$798,600	\$0	\$0	\$798,600
Construction in progress	1,218,150	0	(1,218,150)	0
Total capital assets not being depreciated	2,016,750	0	(1,218,150)	798,600
Capital assets being depreciated:				
Land Improvements	981,352	0	0	981,352
Buildings and improvements	13,487,802	1,338,720	0	14,826,522
Furniture, fixtures and equipment	2,829,455	583,623	(3,250)	3,409,828
Vehicles	1,051,532	0	(40,006)	1,011,526
Total capital assets being depreciated	18,350,141	1,922,343	(43,256)	20,229,228
Accumulated depreciation:				
Land Improvements	(489,409)	(53,867)	0	(543,276)
Buildings and improvements	(10,424,832)	(79,746)	0	(10,504,578)
Furniture, fixtures and equipment	(2,136,929)	(213,976)	3,250	(2,347,655)
Vehicles	(651,346)	(76,249)	40,006	(687,589)
Total accumulated depreciation	(13,702,516)	(423,838) *	43,256	(14,083,098)
Capital assets being depreciated, net	4,647,625	1,498,505	0	6,146,130
Governmental activities capital assets, net	\$6,664,375	\$1,498,505	(\$1,218,150)	\$6,944,730

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$110,233
Special	4,386
Support Services:	
Pupil	98,015
Instructional Staff	5,437
Administration	1,788
Fiscal	2,028
Business	2,199
Operation and Maintenance of Plant	44,734
Pupil Transportation	69,686
Central	23,703
Operation of Non-Instructional Services	46,630
Operation of Food Services	3,619
Extracurricular	11,380
Total Depreciation Expense	\$423,838

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Note 12 – Long-Term Obligations

During fiscal year 2009, the following changes occurred in governmental activities long-term obligations. Compensated absences and the retirement incentive will be paid from the fund in which the employee is paid, usually the general fund.

	Balance at 06/30/08	Increases	Decreases	Balance at 06/30/09	Amounts Due in One Year
Governmental Activities:					
<u>General Obligation Bonds:</u>					
Current interest					
refunding bonds, series 2004	\$1,435,000	\$0	(\$350,000)	\$1,085,000	\$350,000
Capital appreciation					
refunding bonds, series 2004	110,000	0	0	110,000	0
Capital appreciation					
refunding bonds accreted interest	92,988	29,622	0	122,610	0
Total general obligation bonds	<u>1,637,988</u>	<u>29,622</u>	<u>(350,000)</u>	<u>1,317,610</u>	<u>350,000</u>
<u>Other Long-Term Obligations:</u>					
Capital leases	2,165,670	0	(134,489)	2,031,181	128,552
Compensated absences	1,389,346	9,260	(119,182)	1,279,424	233,145
Early retirement incentive	139,000	84,000	(139,000)	84,000	84,000
Total other long-term obligations	<u>3,694,016</u>	<u>93,260</u>	<u>(392,671)</u>	<u>3,394,605</u>	<u>445,697</u>
Total governmental activities	5,332,004	<u>\$122,882</u>	<u>(\$742,671)</u>	4,712,215	<u>\$795,697</u>
Less: Unamortized Issuance Costs	(30,188)			(22,641)	
Add: Unamortized premium on bonds	61,966			46,474	
Total on statement of net assets	<u>\$5,363,782</u>			<u>\$4,736,048</u>	

Current interest construction bonds, series 1993: The general obligation bonds, series 1993, were issued on March 1, 1993 and carried an interest rate of 5.63 percent. They were issued in order to provide funds for the acquisition and construction of equipment and facilities. During fiscal year 2004, the District advance refunded the entire outstanding balance of the current interest construction bonds, series 1993.

Refunding bonds, series 2004: On December 1, 2003, the District issued general obligation bonds in order to advance refund the entire outstanding balance of the current interest construction bonds, series 1993. Proceeds of the issuance were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. At June 30, 2009, \$1,800,000 of defeased bonds are still outstanding.

The refunding issue is comprised of both current interest bonds, par value \$2,795,000, and capital appreciation bonds, par value \$110,000. The interest rates on the current interest bonds range from 2.00 percent to 3.25 percent. The capital appreciation bonds mature on December 1, 2012 (effective interest rate of 4.15 percent) at a redemption price equal to 100 percent of the principal plus accreted interest to the redemption date. The present value (as of the issue date) reported on the statement of net assets at June 30, 2009 is \$110,000. Total accreted interest of \$122,610 has been included on the statement of net assets.

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Neither the current interest bonds nor the capital appreciation bonds are subject to early redemption.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity of the current interest bonds is December 15, 2011.

This advance refunding was undertaken in order to reduce total debt service payments over the next 10 years by \$265,750.

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2009 are as follows:

Fiscal Year Ended	Current Interest Bonds, Series 2004			Capital Appreciation Bonds, Series 2004		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$350,000	\$28,226	\$378,226	\$0	\$0	\$0
2011	365,000	17,501	382,501	0	0	0
2012	370,000	6,012	376,012	0	0	0
2013	0	0	0	375,000	0	375,000
Total	\$1,085,000	\$51,739	\$1,136,739	\$375,000	\$0	\$375,000

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9 percent of the total assessed valuation of the District. The code further provides that un-voted indebtedness shall not exceed 0.1 percent of the property valuation of the District and that energy conservation indebtedness shall not exceed 0.9 percent of the total assessed valuation of the District.

The effects of these debt limitations at June 30, 2009 are a legal voted debt margin of \$30,588,093 (including available funds of \$998,844), and a legal un-voted debt margin of \$342,047.

Note 13 – Risk Management

A - Dental and Vision Insurance

The District has established an Employee Benefits Self Insurance internal service fund to account for and finance its uninsured risks of loss for dental and vision plans offered to employees. Under this program, the Self Insurance fund provides dental and vision coverage as follows; dental coverage of \$2,500 annually per participant, and vision insurance includes one eye exam per year, lenses every 12 months, frames up to \$85 every 24 months and contacts up to \$75 every 12 months.

The plan is administered by Benefit Services, Inc. and analyzed by an actuary on an annual basis to determine the fund balance to be allocated to cover all un-matured liabilities.

All funds of the District participate in the program and make payments to the internal service fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). Findley Davies, Inc., has actuarially determined that \$15,469, is a good and sufficient provision for all un-matured claim obligations (including both reported, but unpaid claims, and incurred, but not reported claims, as well as an allowance for claim settlement expenses on the estimated unpaid claims) as of June 30, 2009.

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Benefit Services, Inc., with the assistance of actuarial analysis, establishes premium rates for dental and vision insurance based upon plan specifics. Premiums are used to establish “reserves”, which are necessary in order to pay claims.

The claims liability of \$15,469 reported in the Employee Benefits Self Insurance fund at June 30, 2009 is based on the provisions of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, and as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

Changes in the fund’s claims liability for the current and past fiscal year are as follows:

Fiscal Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2008	\$23,285	124,092	133,698	\$13,679
2009	13,679	126,037	124,247	15,469

B - Employee Health Benefits

The School District (Consortium Member) participates in the Suburban Health Consortium (the “Consortium”), a shared risk pool (See Note 2.A.), to provide group health, life, dental and/or other insurance coverage. The District has chosen to participate only in the health insurance coverage. Consortium Member premium rates are set or determined by the Board of Directors. To the extent and in the manner permitted by any applicable agreements, policies, rules, regulations and laws, each Consortium Member may require contributions from its employees toward the cost of any benefit program being offered by the Consortium Member, and such contributions shall be included in the payments from such Consortium Member to the Fiscal Agent of the Consortium for such benefit program. Consortium Members pay a monthly premium to the Consortium. Because the District is a member of the Consortium and the Consortium holds the reserves for Incurred but Not Reported (IBNR) claims, not the individual districts, IBNR information is not available on a district-by-district basis.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 15. As such, no funding provisions are required by the District.

C - Comprehensive

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. The District contracted for the following insurance coverage

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Company	Type of Coverage	Deductible (Per Occurrence)	Coverage Limitations	
Indiana Insurance Co.	Property-Blanket	\$5,000	\$50,589,575	
Indiana Insurance Co.	Inland Marine:			
	Computers	250	1,617,886	
	Musical Instruments	250	839,173	
	Audio/Visual Equipment	250	354,590	
	Athletic Equipment	250	113,460	
	Radios	250	55,089	
	Contractors Equipment	250	53,581	
	Sheet Music	250	7,880	
	Transportation	250	300,000	
Indiana Insurance Co.	Flood & Earthquake Limit			
	Flood Limit	50,000	1,000,000	
	Earthquake Limit	5%	1,000,000	
Indiana Insurance Co.	Crime			
	Employee Dishonesty	500	250,000	
	Forgery & Alteration	500	250,000	
	Computer Fraud	500	250,000	
Indiana Insurance Co.	General Liability:			
	Limit	none	1,000,000	
	Aggregate		2,000,000	
Indiana Insurance Co.	Employee Benefits Liability:			
	Limit	1,000	1,000,000	
	Aggregate		3,000,000	
Indiana Insurance Co.	Employer's Stop Gap:			
	Limit	none	1,000,000	
	Aggregate		2,000,000	
Indiana Insurance Co.	School Leaders Errors & Omissions			
	Limit	none	1,000,000	
	Aggregate		1,000,000	
	Innocent Party Defense Limit		300,000	
Indiana Insurance Co.	Law Enforcement:			
	Limit	2,500	1,000,000	
	Aggregate		1,000,000	
Indiana Insurance Co.	Fleet:			
	Combined Single Unit	none	1,000,000	
	Uninsured Motorists Limit	n/a	1,000,000	
	Comprehensive	250	ACV	
	Collision	500	ACV	
Indiana Insurance Co. (Traveler's Insurance)	Umbrella:			
	Limit		4,000,000	
	Self-Insured Retention		10,000	
Indiana Insurance Co.	Boiler & Machinery:			
	Limit	1,000/24 hours	30,000,000	
Arenda Insurance Agency	Blanket Bond	none	5,000	Per Employee
Cincinnati Insurance	Treasurer's Bond		100,000	

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no reduction in amounts of insurance coverage from fiscal 2009.

D - Workers' Compensation

For fiscal year 2009, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual

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performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Note 14 – Pension Plans

A - School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor 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 can be obtained by contacting the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2009, the allocation to pension and death benefits is 9.09 percent. The remaining 4.91 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$217,422, \$208,062, and \$235,526, respectively. 100 percent has been contributed for the fiscal years ended June 30, 2009, 2008 and 2007 respectively.

B - State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency wholly controlled, managed and supported in whole, or in part, by the State or any political subdivision thereof.

Plan Options - New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered 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 into 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 Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – 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

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life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit”, the retirement allowance is based on 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 – 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.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying one 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.

Eligible faculty of Ohio’s public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or other Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3 percent of the original base amount for Defined Benefit Plan participants.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A Defined Benefit or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of 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 Defined Benefit Plan. Death benefit coverage up to

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\$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2009, were 10 percent of covered payroll for members and 14 percent for employers. The District's required contributions to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$774,581, \$755,064, and \$747,089, respectively; 100 percent has been contributed for all of these fiscal years. Contributions to the DC and Combined Plans for fiscal year 2009 were \$7,112 made by the District and \$10,267 made by the plan members.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2009 Comprehensive Annual Financial Report were available after December 31, 2009.

Additional information or copies of STRS Ohio's 2009 Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 East Broad Street, Columbus, OH 43215-3371, or by calling toll free 1-888-227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

C - Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the SERS/STRS. As of June 30, 2009, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

Note 15 – Postemployment Benefits

A - School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan for School Employees Retirement System of Ohio (SERS) administers two post-employment benefit plans.

Medicare Part B Plan – The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) Section 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40, SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2009, the actuarially required allocation is .75 percent. The District's contributions for the years ended June 30, 2009, 2008 and 2007 were \$17,939, \$17,036 and \$16.696, respectively, which equaled the required contributions each year.

Health Care Plan – ORC Sections 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to

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Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code Section 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the fiscal year ended June 30, 2009, the health care allocation is 4.16 percent. An additional health care surcharge on employers is allocated for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care for the years ended June 30, 2009, 2008 and 2007 were \$146,202, \$132,892 and \$98,219 respectively; 68 percent has been contributed for fiscal year 2009 and 100 percent has been contributed for fiscal years 2008 and 2007.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

B - State Teachers Retirement System

Plan Description – The District contributes to a cost-sharing multiple-employer defined benefit Health Care Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the Defined Benefit or Combined Pension Plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in STRS Ohio's financial report which may be obtained by calling (888) 227-7877 or by visiting the STRS Ohio website at www.strsoh.org.

Funding Policy – Ohio law authorizes STRS Ohio to offer Health Care Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contribution for health care for the fiscal year ended June 30, 2009, 2008 and 2007 were \$59,583, \$58,082 and \$57,468 respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 16 - Contingencies

A - Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B - Litigation

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

Note 17 - Statutory Reserves

The School District is required by State statute to annually set aside in the general fund an amount based 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 year end 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 change in the fiscal year end set aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	Instructional Materials	Capital Maintenance	Workers' Comp Refunds
Set-Aside Reserve Balance as of June 30, 2008	(\$3,546,564)	\$0	\$55,144
Current Year Set-Aside Requirement	140,473	140,473	0
Qualifying Disbursements	<u>(761,975)</u>	<u>(977,250)</u>	<u>0</u>
Total	<u>(\$4,168,066)</u>	<u>(\$836,777)</u>	<u>\$55,144</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>(\$4,168,066)</u>	<u>\$0</u>	<u>\$55,144</u>
Cash balance as of June 30, 2009	<u>\$0</u>	<u>\$0</u>	<u>\$55,144</u>

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

Monies representing Bureau of Workers' Compensation refunds that were received prior to April 10, 2001 have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by State statute.

In addition to the above statutory reserves, the District also received monies restricted for school bus purchases.

Cuyahoga Heights Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

A schedule of restricted assets as of June 30, 2009 is as follows:

Amount Set-Aside for Workers' Compensation Refunds	\$55,144
Amount Set-Aside for Bus Purchases	15,115
Total	\$70,259

Note 18 – Capital Leases

During fiscal year 2008, the School District entered into lease agreements for the purchase of a new synthetic turf playing field, new goal posts and various improvements to School District buildings. In a previous fiscal year, the School District entered into a lease agreement for the purchase of other various improvements to School District buildings. These lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, "Accounting for Leases," and has been recorded on the government-wide statements. These land and building improvements have been capitalized in the amount of \$2,186,380, the present value of the minimum lease payments at the inception of the leases.

As part of the agreements for these new leases, CitiCapital Municipal Finance and Honeywell Global Finance, LLC, as lessors, deposited monies in segregated accounts for the installation of a new synthetic turf playing field, new goal posts and various school district improvements. The entire amount was paid to the vendors at the direction of the School District when installations were completed. At year-end capital assets have been capitalized for these capital leases and no lease payments have been paid on either lease as of June 30, 2009.

The assets acquired through the capital lease are as follows:

<i>Asset:</i>	<u>Governmental Activities</u>
Land Improvements	\$668,150
Building Improvements	1,518,230
Historical Cost	2,186,380
Less: Accumulated Depreciation	(78,866)
Total Book Value as of June 30, 2009	\$2,107,514

The following is a schedule of the future long-term minimum lease payments required under the capital leases and present value of the minimum lease payments are as follows:

Fiscal Year Ending June 30,	
2010	\$203,356
2011	203,356
2012	203,356
2013	203,356
2014 - 2018	1,299,520
2019 - 2023	390,726
Total Minimum Lease Payments	2,503,670
Less: Amount Representing Interest	(472,489)
Present Value of Minimum Lease	\$2,031,181

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Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Capital lease payments have been reclassified and are reflected as debt service in the fund financial statements for the permanent improvement capital projects fund. These expenditures are reflected as program expenditures on a budgetary basis.

Note 19 – Significant Events

House Bill 264 Project

Cuyahoga Heights Local School District implemented another phase of energy conservation projects that will increase energy efficiency and also maintain the buildings. However, these improvements did not qualify for the HB264 program in Ohio due to the ratio of savings. In the past, the projects have included lighting improvements where the savings is substantial. This recent phase of \$550,000 is primarily for large HAVC projects that replace obsolete equipment. Although the projected savings is not as high as lighting projects, the project will still yield energy efficiencies and savings greater than the annual payments. This recent energy conservation projects was financed via a capital lease at the favorable public financing rate of 3.77 percent.

Field Turf Project

The District entered into a \$668,150 contract for the construction of a synthetic turf athletic field to be completed by the beginning of the 2008-2009 school year. This project will be financed with a capital lease with payments that are adjusted to the specific revenue source of Bill Board leases on school district property. The total cost of the project was \$707,350 of which \$668,000 was financed as described above and the remaining amounts which were change orders were paid in the fiscal year ending June 30th 2009. The expenses and revenue stream for this project are recorded in the Athletic Fund. After extensive research, the District has projected that there will be a substantial savings in maintenance in comparison to the traditional grass turf which will be general fund savings in labor, supplies and purchased services in future fiscal years.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Food Service Fund – A fund used to account for financial transactions related to food service operations.

Uniform School Supplies Fund – A fund used to account for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the School.

Adult Education Fund – A fund used to account for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from patrons and students, and reimbursement from the Ohio Department of Education. Expenditures include supplies, salaries and textbooks.

Public School Support Fund – A fund used to account for specific local revenue sources (i.e. profits from vending machines, etc.) other than taxes or private purpose trusts, that are restricted to expenditures for specific purposes approved by Board resolution. Such expenditures may include curricular and extracurricular related purchases.

Other Grants Fund – A fund used to account for the proceeds of specific revenue sources (except for state and federal grants) that are restricted to expenditures for specified purposes.

District Managed Student Activity Fund – A fund 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 usually includes athletic programs, but could also include band, cheerleader, flag corps and other similar types of activities.

Management Information Systems Fund – A fund used to account for monies associated with the state-wide requirements of the Education Management Information System (EMIS).

Data Communication Fund – A fund used to account for monies appropriated for Ohio Educational Computer Network Connections.

SchoolNet Professional Development Fund – A fund used to account for revenues received to provide professional development programs related to technology.

Ohio Reads Fund – A fund; 1) used to improve reading outcomes, especially on the fourth grade proficiency test, and; 2) used for volunteer coordinators in public schools, for educational service centers for costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Alternative Schools Fund – A fund used to account for alternative educational programs for existing and new at-risk and delinquent youth.

Miscellaneous State Grants Fund – A fund used to account for various state grant monies which are not classified elsewhere.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Title I Fund – A fund used to account for monies which are to; 1) establish or improve programs designed to meet the special education needs of children of migratory agricultural workers or migratory fisherman, and; 2) enable state education agencies to coordinate their state migrant education programs and local projects with similar programs and projects in other states, including the transfer of school records or other information about children of migrant workers.

Title VI Fund – A fund used to account for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and in-service and staff development

Drug Free Schools Grant Fund – A fund used to account for monies provided by local educational agencies provided by local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools, and to engage in the development, training, technical assistance and coordination of activities.

Improving Teacher Quality Fund – A fund used to account for a federal grant aimed at reducing class sizes throughout the District.

Miscellaneous Federal Grants Fund – A fund 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.

Nonmajor Debt Service Fund

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment principal, interest, and related costs.

Bond Retirement Fund – A fund used to account for the retirement of serial bonds and short-term loans. All revenue derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt charges on bonds or loans are paid into this fund. Since the District has only one debt service fund, no combining statements are presented.

Nonmajor Capital Projects Funds

Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Permanent Improvement Fund – A fund used to account for all transactions of the School District which are related to acquiring, constructing, or improving permanent improvements which are authorized by Chapter 5705, Revised Code.

School Net Fund – A fund provided to account for wiring to classrooms and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth districts.

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Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$213,429	\$912,984	\$54,950	\$1,181,363
Accounts Receivable	275	0	119,938	120,213
Intergovernmental Receivable	3,604	0	0	3,604
Property Taxes Receivable	0	461,165	0	461,165
Inventory Held for Resale	2,532	0	0	2,532
Materials and Supplies Inventory	1,712	0	0	1,712
Prepaid Items	550	0	22,528	23,078
<i>Total Assets</i>	<u>\$222,102</u>	<u>\$1,374,149</u>	<u>\$197,416</u>	<u>\$1,793,667</u>
Liabilities				
Accounts Payable	\$5,464	\$0	\$99,789	\$105,253
Accrued Wages	14,027	0	0	14,027
Intergovernmental Payable	5,474	0	0	5,474
Interfund Payable	20,922	0	143,204	164,126
Deferred Revenue	0	375,305	0	375,305
<i>Total Liabilities</i>	<u>45,887</u>	<u>375,305</u>	<u>242,993</u>	<u>664,185</u>
Fund Balances				
Reserved for Encumbrances	5,682	0	18,966	24,648
Reserved for Prepays	550	0	22,528	23,078
Reserved for Property Taxes	0	59,337	0	59,337
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	169,983	0	0	169,983
Debt Service Fund	0	939,507	0	939,507
Capital Projects Funds (Deficit)	0	0	(87,071)	(87,071)
<i>Total Fund Balances</i>	<u>176,215</u>	<u>998,844</u>	<u>(45,577)</u>	<u>1,129,482</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$222,102</u>	<u>\$1,374,149</u>	<u>\$197,416</u>	<u>\$1,793,667</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$436,358	\$1,166,544	\$1,602,902
Interest	2,042	0	0	2,042
Charges for Services	252,898	0	0	252,898
Extracurricular Activities	91,654	0	0	91,654
Rentals	153,333	0	0	153,333
Intergovernmental	182,889	17,511	0	200,400
Miscellaneous	5,626	0	40,789	46,415
<i>Total Revenues</i>	<u>688,442</u>	<u>453,869</u>	<u>1,207,333</u>	<u>2,349,644</u>
Expenditures				
Current:				
Instruction:				
Regular	6,775	0	0	6,775
Special	73,228	0	51	73,279
Support Services:				
Pupils	53,812	0	286,066	339,878
Instructional Staff	39,792	0	0	39,792
Business	1,422	0	279	1,701
Operation and Maintenance of Plant	0	0	70,680	70,680
Central	11,304	0	470,449	481,753
Operation of Non-Instructional Services	1,035	0	0	1,035
Operation of Food Services	333,185	0	0	333,185
Extracurricular Activities	156,831	0	0	156,831
Capital Outlay	135,664	0	444,833	580,497
Debt Service:				
Principal Retirement	0	350,000	134,489	484,489
Interest and Fiscal Charges	0	38,287	68,867	107,154
<i>Total Expenditures</i>	<u>813,048</u>	<u>388,287</u>	<u>1,475,714</u>	<u>2,677,049</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(124,606)	65,582	(268,381)	(327,405)
Other Financing Sources				
Transfers In	81,362	0	0	81,362
<i>Net Change in Fund Balances</i>	(43,244)	65,582	(268,381)	(246,043)
<i>Fund Balances Beginning of Year</i>	219,459	933,262	222,804	1,375,525
<i>Fund Balances End of Year</i>	<u>\$176,215</u>	<u>\$998,844</u>	<u>(\$45,577)</u>	<u>\$1,129,482</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>Public School Support</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$55	\$2,179	\$698	\$40,667
Accounts Receivable	145	0	0	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	2,532	0	0	0
Materials and Supplies Inventory	994	718	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$3,726</u>	<u>\$2,897</u>	<u>\$698</u>	<u>\$40,667</u>
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$1,606
Accrued Wages	10,034	0	0	0
Intergovernmental Payable	4,741	0	0	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>14,775</u>	<u>0</u>	<u>0</u>	<u>1,606</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	250
Reserved for Prepays	0	0	0	0
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	(11,049)	2,897	698	38,811
<i>Total Fund Balances</i>	<u>(11,049)</u>	<u>2,897</u>	<u>698</u>	<u>39,061</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,726</u>	<u>\$2,897</u>	<u>\$698</u>	<u>\$40,667</u>

Other Grants	District Managed Student Activity	Management Information Systems	Alternative Schools	Title I
\$14,226	\$155,604	\$0	\$0	\$0
0	130	0	0	0
0	0	0	1,584	88
0	0	0	0	0
0	0	0	0	0
0	550	0	0	0
<u>\$14,226</u>	<u>\$156,284</u>	<u>\$0</u>	<u>\$1,584</u>	<u>\$88</u>
\$0	\$3,858	\$0	\$0	\$0
0	0	3,993	0	0
0	0	653	80	0
0	0	0	1,584	88
<u>0</u>	<u>3,858</u>	<u>4,646</u>	<u>1,664</u>	<u>88</u>
0	5,432	0	0	0
0	550	0	0	0
14,226	146,444	(4,646)	(80)	0
<u>14,226</u>	<u>152,426</u>	<u>(4,646)</u>	<u>(80)</u>	<u>0</u>
<u>\$14,226</u>	<u>\$156,284</u>	<u>\$0</u>	<u>\$1,584</u>	<u>\$88</u>

(continued)

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2009

	Title VI	Drug Free Schools Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$0	\$0	\$213,429
Accounts Receivable	0	0	0	275
Intergovernmental Receivable	1,136	0	796	3,604
Inventory Held for Resale	0	0	0	2,532
Materials and Supplies Inventory	0	0	0	1,712
Prepaid Items	0	0	0	550
<i>Total Assets</i>	<u>\$1,136</u>	<u>\$0</u>	<u>\$796</u>	<u>\$222,102</u>
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$5,464
Accrued Wages	0	0	0	14,027
Intergovernmental Payable	0	0	0	5,474
Interfund Payable	1,161	570	17,519	20,922
<i>Total Liabilities</i>	<u>1,161</u>	<u>570</u>	<u>17,519</u>	<u>45,887</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	5,682
Reserved for Prepays	0	0	0	550
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	(25)	(570)	(16,723)	169,983
<i>Total Fund Balances</i>	<u>(25)</u>	<u>(570)</u>	<u>(16,723)</u>	<u>176,215</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,136</u>	<u>\$0</u>	<u>\$796</u>	<u>\$222,102</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Food Service	Uniform School Supplies	Adult Education	Public School Support
Revenues				
Interest	\$68	\$0	\$0	\$0
Charges for Services	252,898	0	0	0
Extracurricular Activities	0	94	0	47,821
Rentals	0	0	0	0
Intergovernmental	51,465	0	0	2,842
Miscellaneous	1,083	0	0	4,413
<i>Total Revenues</i>	<u>305,514</u>	<u>94</u>	<u>0</u>	<u>55,076</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	1,775
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	38,922
Instructional Staff	0	0	0	1,520
Business	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	1,035	0	0
Operation of Food Services	333,185	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	3,772	0	0	0
<i>Total Expenditures</i>	<u>336,957</u>	<u>1,035</u>	<u>0</u>	<u>42,217</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(31,443)	(941)	0	12,859
Other Financing Sources				
Transfers In	8,310	136	0	0
<i>Net Change in Fund Balances</i>	(23,133)	(805)	0	12,859
<i>Fund Balances (Deficit) Beginning of Year</i>	12,084	3,702	698	26,202
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$11,049)</u>	<u>\$2,897</u>	<u>\$698</u>	<u>\$39,061</u>

(continued)

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2009*

	Other Grants	District Managed Student Activity	Management Information Systems
Revenues			
Interest	\$0	\$1,974	\$0
Charges for Services	0	0	0
Extracurricular Activities	0	43,739	0
Rentals	0	153,333	0
Intergovernmental	9,000	0	5,000
Miscellaneous	0	130	0
<i>Total Revenues</i>	<u>9,000</u>	<u>199,176</u>	<u>5,000</u>
Expenditures			
Current:			
Instruction:			
Regular	0	0	5,000
Special	0	0	0
Support Services:			
Pupils	10,416	0	0
Instructional Staff	0	0	0
Business	0	1,422	0
Central	0	0	2,304
Operation of Non-Instructional Services	0	0	0
Operation of Food Services	0	0	0
Extracurricular Activities	0	156,831	0
Capital Outlay	0	131,892	0
<i>Total Expenditures</i>	<u>10,416</u>	<u>290,145</u>	<u>7,304</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,416)	(90,969)	(2,304)
Other Financing Sources			
Transfers In	0	72,916	0
<i>Net Change in Fund Balances</i>	(1,416)	(18,053)	(2,304)
<i>Fund Balances (Deficit) Beginning of Year</i>	15,642	170,479	(2,342)
<i>Fund Balances (Deficit) End of Year</i>	<u>\$14,226</u>	<u>\$152,426</u>	<u>(\$4,646)</u>

<u>Data</u> <u>Communication</u>	<u>SchoolNet</u> <u>Professional</u> <u>Development</u>	<u>Ohio</u> <u>Reads</u>	<u>Alternative</u> <u>Schools</u>	<u>Miscellaneous</u> <u>State</u> <u>Grants</u>	<u>Title I</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
9,000	2,430	0	14,904	2,322	59,267
0	0	0	0	0	0
<u>9,000</u>	<u>2,430</u>	<u>0</u>	<u>14,904</u>	<u>2,322</u>	<u>59,267</u>
0	0	0	0	0	0
0	0	0	14,861	0	58,367
0	0	0	0	2,322	0
0	2,430	2,000	0	0	804
0	0	0	0	0	0
9,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>9,000</u>	<u>2,430</u>	<u>2,000</u>	<u>14,861</u>	<u>2,322</u>	<u>59,171</u>
0	0	(2,000)	43	0	96
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	(2,000)	43	0	96
0	0	2,000	(123)	0	(96)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$80)</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2009

	Title VI	Drug Free Schools Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues					
Interest	\$0	\$0	\$0	\$0	\$2,042
Charges for Services	0	0	0	0	252,898
Extracurricular Activities	0	0	0	0	91,654
Rentals	0	0	0	0	153,333
Intergovernmental	2,268	1,603	22,239	549	182,889
Miscellaneous	0	0	0	0	5,626
<i>Total Revenues</i>	<u>2,268</u>	<u>1,603</u>	<u>22,239</u>	<u>549</u>	<u>688,442</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	0	0	6,775
Special	0	0	0	0	73,228
Support Services:					
Pupils	0	1,603	0	549	53,812
Instructional Staff	1,262	0	31,776	0	39,792
Business	0	0	0	0	1,422
Central	0	0	0	0	11,304
Operation of Non-Instructional Services	0	0	0	0	1,035
Operation of Food Services	0	0	0	0	333,185
Extracurricular Activities	0	0	0	0	156,831
Capital Outlay	0	0	0	0	135,664
<i>Total Expenditures</i>	<u>1,262</u>	<u>1,603</u>	<u>31,776</u>	<u>549</u>	<u>813,048</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,006	0	(9,537)	0	(124,606)
Other Financing Sources					
Transfers In	0	0	0	0	81,362
<i>Net Change in Fund Balances</i>	1,006	0	(9,537)	0	(43,244)
<i>Fund Balances (Deficit) Beginning of Year</i>	(1,031)	(570)	(7,186)	0	219,459
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$25)</u>	<u>(\$570)</u>	<u>(\$16,723)</u>	<u>\$0</u>	<u>\$176,215</u>

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009*

	<u>Permanent Improvement</u>	<u>School Net</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$54,950	\$0	\$54,950
Accounts Receivable	119,938	0	119,938
Prepaid Items	22,528	0	22,528
<i>Total Assets</i>	<u>\$197,416</u>	<u>\$0</u>	<u>\$197,416</u>
Liabilities			
Accounts Payable	\$99,789	\$0	\$99,789
Interfund Payable	143,204	0	143,204
<i>Total Liabilities</i>	<u>242,993</u>	<u>0</u>	<u>242,993</u>
Fund Balances			
Reserved for Encumbrances	18,966	0	18,966
Reserved for Prepaids	22,528	0	22,528
Unreserved:			
Undesignated, Reported in:			
Capital Projects Funds	(87,071)	0	(87,071)
<i>Total Fund Balances</i>	<u>(45,577)</u>	<u>0</u>	<u>(45,577)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$197,416</u>	<u>\$0</u>	<u>\$197,416</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2009

	Permanent Improvement	School Net	Total Governmental Funds
Revenues			
Property Taxes	\$1,166,544	\$0	\$1,166,544
Miscellaneous	40,789	0	40,789
<i>Total Revenues</i>	<u>1,207,333</u>	<u>0</u>	<u>1,207,333</u>
Expenditures			
Current:			
Instruction:			
Special	51	0	51
Support Services:			
Pupils	280,326	5,740	286,066
Business	279	0	279
Operation and Maintenance of Plant	70,680	0	70,680
Central	470,449	0	470,449
Capital Outlay	444,833	0	444,833
Debt Service:			
Principal Retirement	134,489	0	134,489
Interest and Fiscal Charges	68,867	0	68,867
<i>Total Expenditures</i>	<u>1,469,974</u>	<u>5,740</u>	<u>1,475,714</u>
<i>Net Change in Fund Balances</i>	(262,641)	(5,740)	(268,381)
<i>Fund Balances Beginning of Year</i>	217,064	5,740	222,804
<i>Fund Balances End of Year</i>	<u>(\$45,577)</u>	<u>\$0</u>	<u>(\$45,577)</u>

Combining Statements - Fiduciary Funds

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's trust funds are the special trust and endowment private purpose trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Private Purpose Trust Funds

Special Trust Fund – A fund used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Endowment Fund – A fund used to account for monies, securities, or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended but the principal must remain intact.

Agency Funds

District Agency Fund - To account for net payroll, payroll taxes and other related payroll deductions accumulated from all county funds for distribution to employees, other governmental units and private organizations.

Student Managed Activity Fund – A fund used to account for those student activity programs which have student participation in the activity and have student involvement in the management of the program. This fund typically includes those students' activities which consist of a student body, student president, student treasurer and faculty advisor.

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Combining Statement of Fiduciary Net Assets
Private Purpose Trust Funds
June 30, 2009

	Special Trust	Endowment	Total Private Purpose Trust
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,172	\$278,430	\$281,602
Accrued Interest Receivable	0	1,383	1,383
<i>Total Assets</i>	3,172	279,813	282,985
Liabilities	\$0	\$0	\$0
Net Assets			
Held in Trust for Scholarships	\$3,172	\$279,813	\$282,985

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Combining Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2009*

	<u>Special Trust</u>	<u>Endowment</u>	<u>Total Private Purpose Trust</u>
Additions			
Interest	\$48	\$2,370	\$2,418
Contributions and Donations	<u>100</u>	<u>9,888</u>	<u>9,988</u>
<i>Total Additions</i>	148	12,258	12,406
Deductions			
Scholarships Awarded	<u>1,250</u>	<u>13,651</u>	<u>14,901</u>
<i>Change in Net Assets</i>	(1,102)	(1,393)	(2,495)
<i>Net Assets Beginning of Year</i>	4,274	281,206	285,480
<i>Net Assets End of Year</i>	<u><u>\$3,172</u></u>	<u><u>\$279,813</u></u>	<u><u>\$282,985</u></u>

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Statement of Changes in Assets and Liabilities**Agency Funds**For the Fiscal Year Ended June 30, 2009*

	Beginning Balance 07/01/08	Additions	Deductions	Ending Balance 06/30/09
<i>District Agency Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,499	\$20,379	\$15,643	\$11,235
Liabilities				
Intergovernmental Payable	\$6,499	\$20,379	\$15,643	\$11,235
 <i>Student Managed Activity Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$65,779	\$54,101	\$47,494	\$72,386
Liabilities				
Due to Students	65,779	54,101	47,494	72,386
 <i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$72,278	\$74,480	\$63,137	\$83,621
Liabilities				
Intergovernmental Payable	\$6,499	\$20,379	\$15,643	\$11,235
Due to Students	65,779	54,101	47,494	72,386
<i>Total Liabilities</i>	<u>\$72,278</u>	<u>\$74,480</u>	<u>\$63,137</u>	<u>\$83,621</u>

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

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$8,569,965	\$8,364,607	\$8,364,607	\$0
Tuition and Fees	467,502	514,799	514,799	0
Interest	380,000	196,794	196,794	0
Rentals	1,950	1,467	1,467	0
Contributions and Donations	0	62	62	0
Employee Share of Medical Premiums Reclassification	4,441,407	437,197	437,197	0
Intergovernmental	299,097	4,503,606	4,503,606	0
Miscellaneous	0	81,701	81,701	0
<i>Total Revenues</i>	<u>14,159,921</u>	<u>14,100,233</u>	<u>14,100,233</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,325,780	4,166,805 #	4,166,805	0
Fringe Benefits	1,649,176	1,599,021	1,599,021	0
Purchased Services	37,456	49,280	49,180	100
Materials and Supplies	166,395	170,356	152,217	18,139
Capital Outlay - New	3,315	16,022	15,750	272
Capital Outlay - Replacement	3,520	2,942	2,942	0
Other	653	2,281	2,076	205
<i>Total Regular</i>	<u>6,186,295</u>	<u>6,006,707</u>	<u>5,987,991</u>	<u>18,716</u>
Special:				
Salaries and Wages	14,200	12,406	12,406	0
Fringe Benefits	1,200	2,059	2,059	0
Purchased Services	1,431,080	1,391,916	1,314,646	77,270
Materials and Supplies	11,321	4,487	4,457	30
Capital Outlay - New	10,790	8,705	8,704	1
Other	399	0	0	0
<i>Total Special</i>	<u>1,468,990</u>	<u>1,419,573</u>	<u>1,342,272</u>	<u>77,301</u>
Other:				
Salaries and Wages	67,459	68,876	68,876	0
Fringe Benefits	26,082	23,561	23,561	0
<i>Total Other</i>	<u>93,541</u>	<u>92,437</u>	<u>92,437</u>	<u>0</u>
<i>Total Instruction</i>	<u>\$7,748,826</u>	<u>\$7,518,717</u>	<u>\$7,422,700</u>	<u>\$96,017</u>

(continued)

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$586,211	\$537,079	\$537,079	\$0
Fringe Benefits	184,666	159,619	159,619	0
Purchased Services	265,844	294,431	291,450	2,981
Materials and Supplies	11,448	31,008	30,981	27
Capital Outlay - New	4,110	143,761	143,761	0
Capital Outlay - Replacement	250	214	214	0
Other	8,787	5,379	5,379	0
Total Pupils	1,061,316	1,171,491	1,168,483	3,008
Instructional Staff:				
Salaries and Wages	422,319	540,589	540,589	0
Fringe Benefits	173,522	199,787	199,787	0
Purchased Services	33,542	32,812	29,345	3,467
Materials and Supplies	2,818	12,025	12,015	10
Capital Outlay - Replacement	146	167	167	0
Other	725	550	550	0
Total Instructional Staff	633,072	785,930	782,453	3,477
Board of Education:				
Salaries and Wages	25,000	26,500	26,500	0
Fringe Benefits	4,300	4,331	4,331	0
Purchased Services	20,095	28,802	27,751	1,051
Materials and Supplies	2,000	1,501	1,358	143
Other	2,000	13,727	13,707	20
Total Board of Education	53,395	74,861	73,647	1,214
Administration:				
Salaries and Wages	921,151	929,017	929,017	0
Fringe Benefits	396,754	366,361	366,361	0
Purchased Services	117,537	108,755	91,790	16,965
Materials and Supplies	12,982	21,320	19,833	1,487
Capital Outlay - New	500	7,662	7,662	0
Other	5,699	14,306	14,306	0
Total Administration	\$1,454,623	\$1,447,421	\$1,428,969	\$18,452

(continued)

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Salaries and Wages	\$218,610	\$214,778	\$214,778	\$0
Fringe Benefits	103,254	102,130	102,130	0
Purchased Services	33,399	35,596	34,495	1,101
Materials and Supplies	11,000	9,190	9,133	57
Capital Outlay - New	71,591	213,209	213,209	0
Other	239,466	0	0	0
Total Fiscal	677,320	574,903	573,745	1,158
Business:				
Purchased Services	116,714	121,925	111,801	10,124
Materials and Supplies	26,635	18,374	18,374	0
Capital Outlay - New	8,000	5,501	5,501	0
Total Business	151,349	145,800	135,676	10,124
Operation and Maintenance of Plant:				
Salaries and Wages	780,167	668,238	668,238	0
Fringe Benefits	258,494	222,422	222,422	0
Purchased Services	745,752	792,643	730,158	62,485
Materials and Supplies	55,959	90,807	63,398	27,409
Capital Outlay - New	10,000	20,547	20,547	0
Capital Outlay - Replacement	4,000	9,584	9,584	0
Total Operation and Maintenance of Plant	1,854,372	1,804,241	1,714,347	89,894
Pupil Transportation:				
Salaries and Wages	445,628	532,089	532,089	0
Fringe Benefits	164,094	148,324	148,324	0
Purchased Services	88,767	89,004	76,231	12,773
Materials and Supplies	96,055	89,206	80,778	8,428
Capital Outlay - New	2,999	2,977	2,479	498
Total Pupil Transportation	\$797,543	\$861,600	\$839,901	\$21,699

(continued)

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$27,500	\$28,153	\$28,153	\$0
Fringe Benefits	6,100	8,103	8,103	0
Purchased Services	95,605	148,891	146,792	2,099
Materials and Supplies	93,397	124,706	91,587	33,119
Capital Outlay - New	0	45,089	40,739	4,350
Total Central	222,602	354,942	315,374	39,568
Total Support Services	6,905,592	7,221,189	7,032,595	188,594
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	8,000	6,294	6,294	0
Fringe Benefits	1,980	1,245	1,245	0
Purchased Services	4,200	6,013	6,013	0
Materials and Supplies	10,556	11,252	11,252	0
Capital Outlay - New	0	3,772	3,772	0
Total Food Service Operations	24,736	28,576	28,576	0
Community Services:				
Salaries and Wages	53,450	45,089	45,089	0
Fringe Benefits	7,902	6,744	6,744	0
Purchased Services	7,178	5,385	5,385	0
Materials and Supplies	1,700	949	949	0
Total Community Services	70,230	58,167	58,167	0
Total Operation of Non-Instructional Services:	\$94,966	\$86,743	\$86,743	\$0

(continued)

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	\$52,040	\$48,454	\$48,454	\$0
Fringe Benefits	8,530	7,839	7,839	0
Purchased Services	12,540	22,136	21,286	850
Materials and Supplies	200	478	478	0
Other	12,323	19,211	19,211	0
Total Academic Oriented Activities	85,633	98,118	97,268	850
Sport Oriented Activities:				
Salaries and Wages	465,506	465,967	465,967	0
Fringe Benefits	109,538	111,673	111,673	0
Purchased Services	81,200	78,475	78,475	0
Total Sport Oriented Activities	656,244	656,115	656,115	0
Co-Curricular Activities:				
Salaries and Wages	26,040	25,756	25,756	0
Fringe Benefits	4,390	4,049	4,049	0
Total Co-Curricular Activities	30,430	29,805	29,805	0
Total Extracurricular Activities	772,307	784,038	783,188	850
Total Expenditures	15,521,691	15,610,687	15,325,226	285,461
Excess of Revenues Under Expenditures	(1,361,770)	(1,510,454)	(1,224,993)	285,461
Other Financing Sources (Uses)				
Advances In	7,583	13,037	13,037	0
Advances Out	0	(146,808)	(146,808)	0
Transfers In	0	12,089	12,089	0
Transfers Out	(150,000)	(81,362)	(81,362)	0
Total Other Financing Sources (Uses)	(142,417)	(203,044)	(203,044)	0
Net Change in Fund Balance	(1,504,187)	(1,713,498)	(1,428,037)	285,461
Fund Balance Beginning of Year	8,312,265	8,312,265	8,312,265	0
Prior Year Encumbrances Appropriated	384,963	384,963	384,963	0
Fund Balance End of Year	\$7,193,041	\$6,983,730	\$7,269,191	\$285,461

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$1,000	\$68	\$68	\$0
Charges for Services	258,300	247,460	247,460	0
Intergovernmental	50,000	51,465	51,465	0
Miscellaneous	0	14,808	14,808	0
<i>Total Revenues</i>	<u>309,300</u>	<u>313,801</u>	<u>313,801</u>	<u>0</u>
Expenditures				
Operation of Food Service:				
Salaries and Wages	125,292	123,777	123,777	0
Fringe Benefits	49,681	49,522	49,522	0
Purchased Services	8,500	28,312	28,312	0
Materials and Supplies	130,000	130,332	130,332	0
<i>Total Expenditures</i>	<u>313,473</u>	<u>331,943</u>	<u>331,943</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(4,173)	(18,142)	(18,142)	0
<i>Fund Balance Beginning of Year</i>	<u>18,197</u>	<u>18,197</u>	<u>18,197</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,024</u>	<u>\$55</u>	<u>\$55</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$150	\$230	\$230	\$0
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Other:				
Materials and Supplies	2,342	751	751	0
<i>Net Change in Fund Balance</i>	(2,192)	(521)	(521)	0
<i>Fund Balance Beginning of Year</i>	2,700	2,700	2,700	0
<i>Fund Balance End of Year</i>	\$508	\$2,179	\$2,179	\$0

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	698	698	698	0
<i>Fund Balance End of Year</i>	<u>\$698</u>	<u>\$698</u>	<u>\$698</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$31,042	\$55,076	\$55,076	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	13,492	31,376	31,376	0
Materials and Supplies	17,851	8,593	8,393	200
Other	15,855	2,047	1,996	51
<i>Total Expenditures</i>	47,198	42,016	41,765	251
<i>Net Change in Fund Balance</i>	(16,156)	13,060	13,311	251
<i>Fund Balance Beginning of Year</i>	25,974	25,974	25,974	0
Prior Year Encumbrances Appropriated	1,382	1,382	1,382	0
<i>Fund Balance End of Year</i>	\$11,200	\$40,416	\$40,667	\$251

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Other Grants Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$11,179	\$11,179	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	5,300	5,408	5,408	0
Materials and Supplies	4,050	5,009	5,009	0
<i>Total Expenditures</i>	9,350	10,417	10,417	0
<i>Net Change in Fund Balance</i>	(9,350)	762	762	0
<i>Fund Balance Beginning of Year</i>	15,642	15,642	15,642	0
<i>Fund Balance End of Year</i>	\$6,292	\$16,404	\$16,404	\$0

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
District Managed Student Activity Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$1,500	\$1,974	\$1,974	\$0
Extracurricular Activities	46,130	43,190	43,190	0
Rentals	50,000	153,333	153,333	0
<i>Total Revenues</i>	<u>97,630</u>	<u>198,497</u>	<u>198,497</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Business:				
Purchased Services	1,717	1,533	1,422	111
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	0	1,378	1,378	0
Sport Oriented Activities:				
Purchased Services	40,681	53,713	50,674	3,039
Materials and Supplies	53,060	63,848	60,261	3,587
Capital Outlay - New	60,497	41,644	41,644	0
Capital Outlay - Replacement	3,157	4,213	4,213	0
Other	64,403	38,049	35,497	2,552
Total Sport Oriented Activities	<u>221,798</u>	<u>201,467</u>	<u>192,289</u>	<u>9,178</u>
Total Extracurricular Activities	<u>221,798</u>	<u>202,845</u>	<u>193,667</u>	<u>9,178</u>
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	16,079	98,128	98,128	0
<i>Total Expenditures</i>	<u>239,594</u>	<u>302,506</u>	<u>293,217</u>	<u>9,289</u>
<i>Excess of Revenues Under Expenditures</i>	(141,964)	(104,009)	(94,720)	9,289
Other Financing Sources				
Transfers In	0	72,916	72,916	0
<i>Net Change in Fund Balance</i>	(141,964)	(31,093)	(21,804)	9,289
<i>Fund Balance Beginning of Year</i>	142,009	142,009	142,009	0
Prior Year Encumbrances Appropriated	34,319	34,319	34,319	0
<i>Fund Balance End of Year</i>	<u>\$34,364</u>	<u>\$145,235</u>	<u>\$154,524</u>	<u>\$9,289</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Management Information Systems Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$5,000	\$5,000	\$5,000	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Salaries and Wages	5,000	4,686	4,686	0
Purchased Services	0	314	314	0
<i>Total Expenditures</i>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Data Communication Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$9,000	\$9,000	\$9,000	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	9,000	9,000	9,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,430	\$2,430	\$2,430	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	2,430	2,430	2,430	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	2,000	2,000	2,000	0
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	(2,000)	0
<i>Fund Balance Beginning of Year</i>	2,000	2,000	2,000	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Alternative Schools Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$15,032	\$14,904	\$14,904	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	11,543	9,508	9,392	116
Fringe Benefits	586	1,624	1,451	173
Purchased Services	1,000	829	908	(79)
Materials and Supplies	1,500	2,543	2,753	(210)
Capital Outlay - New	400	400	400	0
<i>Total Expenditures</i>	<u>15,029</u>	<u>14,904</u>	<u>14,904</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Advances In	0	6,613	6,613	0
Advances Out	0	(6,613)	(6,613)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$2,322	\$2,322	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	0	2,322	2,322	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$63,620	\$63,532	\$63,532	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Purchased Services	63,620	59,172	59,172	0
<i>Excess of Revenues Over Expenditures</i>	0	4,360	4,360	0
Other Financing Sources (Uses)				
Advances In	0	88	88	0
Advances Out	0	(4,448)	(4,448)	0
<i>Total Other Financing Sources (Uses)</i>	0	(4,360)	(4,360)	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,468	\$1,133	\$1,133	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	1,461	1,262	1,262	0
<i>Excess of Revenues Over (Under) Expenditures</i>	1,007	(129)	(129)	0
Other Financing Sources (Uses)				
Advances In	0	1,136	1,136	0
Advances Out	(1,007)	(1,007)	(1,007)	0
<i>Total Other Financing Sources (Uses)</i>	(1,007)	129	129	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,518	\$2,522	\$2,522	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	2,318	783	783	0
Fringe Benefits	200	121	121	0
Purchased Services	0	375	375	0
Materials and Supplies	0	325	325	0
<i>Total Expenditures</i>	<u>2,518</u>	<u>1,604</u>	<u>1,604</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	918	918	0
Other Financing Uses				
Advances Out	0	(918)	(918)	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Improving Teacher Quality Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$31,577	\$31,033	\$31,033	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	1,500	11,368	11,368	0
Fringe Benefits	388	253	253	0
Purchased Services	20,100	18,208	18,208	0
Materials and Supplies	0	2,000	2,000	0
<i>Total Expenditures</i>	<u>21,988</u>	<u>31,829</u>	<u>31,829</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	9,589	(796)	(796)	0
Other Financing Sources				
Advances In	0	796	796	0
<i>Net Change in Fund Balance</i>	9,589	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$9,589</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$602	\$600	\$600	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	400	475	475	0
Fringe Benefits	150	73	73	0
Purchased Services	52	0	0	0
<i>Total Expenditures</i>	602	548	548	0
<i>Excess of Revenues Over Expenditures</i>	0	52	52	0
Other Financing Uses				
Advances Out	0	(52)	(52)	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$404,207	\$391,913	\$391,913	\$0
Intergovernmental	15,000	17,510	17,510	0
<i>Total Revenues</i>	<u>419,207</u>	<u>409,423</u>	<u>409,423</u>	<u>0</u>
Expenditures				
Debt Service:				
Principal Retirement	350,000	350,000	350,000	0
Interest and Fiscal Charges	38,288	38,288	38,288	0
<i>Total Expenditures</i>	<u>388,288</u>	<u>388,288</u>	<u>388,288</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	30,919	21,135	21,135	0
<i>Fund Balance Beginning of Year</i>	<u>891,848</u>	<u>891,848</u>	<u>891,848</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$922,767</u>	<u>\$912,983</u>	<u>\$912,983</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$2,000	\$0	\$0	\$0
Rentals	11,000	10,359	10,359	0
Payment in Lieu of Taxes - Revenue Sharing	753,806	1,189,811	1,189,811	0
Miscellaneous	30,000	30,429	30,429	0
<i>Total Revenues</i>	<u>796,806</u>	<u>1,230,599</u>	<u>1,230,599</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	329	194,164	194,164	0
Materials and Supplies	375	138,383	138,383	0
Capital Outlay - New	402,337	186,427	186,427	0
Total Pupils	<u>403,041</u>	<u>518,974</u>	<u>518,974</u>	<u>0</u>
Business:				
Materials and Supplies	<u>2,220</u>	<u>696</u>	<u>696</u>	<u>0</u>
Operation and Maintenance of Plant:				
Purchased Services	262,200	290,215	257,650	32,565
Materials and Supplies	0	4,819	4,819	0
Capital Outlay - New	0	2,748	2,748	0
Total Operation and Maintenance of Plant	<u>262,200</u>	<u>297,782</u>	<u>265,217</u>	<u>32,565</u>
Pupil Transportation:				
Capital Outlay - New	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Purchased Services	\$9,332	\$173,209	\$152,209	\$21,000
Materials and Supplies	1,812	90,419	90,419	0
Capital Outlay - New	3,000	381,571	381,571	0
Total Central	14,144	645,199	624,199	21,000
<i>Total Expenditures</i>	<u>681,605</u>	<u>1,462,651</u>	<u>1,409,086</u>	<u>53,565</u>
<i>Net Change in Fund Balance</i>	115,201	(232,052)	(178,487)	53,565
<i>Fund Balance Beginning of Year</i>	233,487	233,487	233,487	0
Prior Year Encumbrances Appropriated	<u>34,591</u>	<u>34,591</u>	<u>34,591</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$383,279</u>	<u>\$36,026</u>	<u>\$89,591</u>	<u>\$53,565</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
School Net Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Capital Outlay - New	5,740	5,740	5,740	0
<i>Net Change in Fund Balance</i>	(5,740)	(5,740)	(5,740)	0
<i>Fund Balance Beginning of Year</i>	5,740	5,740	5,740	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Employee Benefits Self Insurance Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$239,350	\$151,077	\$151,077	\$0
Expenses				
Claims	145,900	124,247	124,247	0
<i>Net Change in Fund Equity</i>	93,450	26,830	26,830	0
<i>Fund Equity Beginning of Year</i>	53,679	53,679	53,679	0
<i>Fund Equity End of Year</i>	<u>\$147,129</u>	<u>\$80,509</u>	<u>\$80,509</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$115	\$48	\$48	\$0
Contributions and Donations	750	100	100	0
<i>Total Revenues</i>	865	148	148	0
Expenses				
Other	1,100	1,250	1,250	0
<i>Net Change in Fund Equity</i>	(235)	(1,102)	(1,102)	0
<i>Fund Equity Beginning of Year</i>	4,274	4,274	4,274	0
<i>Fund Equity End of Year</i>	<u>\$4,039</u>	<u>\$3,172</u>	<u>\$3,172</u>	<u>\$0</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Endowment Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$13,505	\$14,292	\$14,292	\$0
Contributions and Donations	6,000	7,577	7,577	0
<i>Total Revenues</i>	19,505	21,869	21,869	0
Expenses				
Other	38,707	14,928	14,428	500
<i>Net Change in Fund Equity</i>	(19,202)	6,941	7,441	500
<i>Fund Equity Beginning of Year</i>	270,989	270,989	270,989	0
<i>Fund Equity End of Year</i>	<u>\$251,787</u>	<u>\$277,930</u>	<u>\$278,430</u>	<u>\$500</u>

Statistical Section

This part of the Cuyahoga Heights Local School District, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial health.

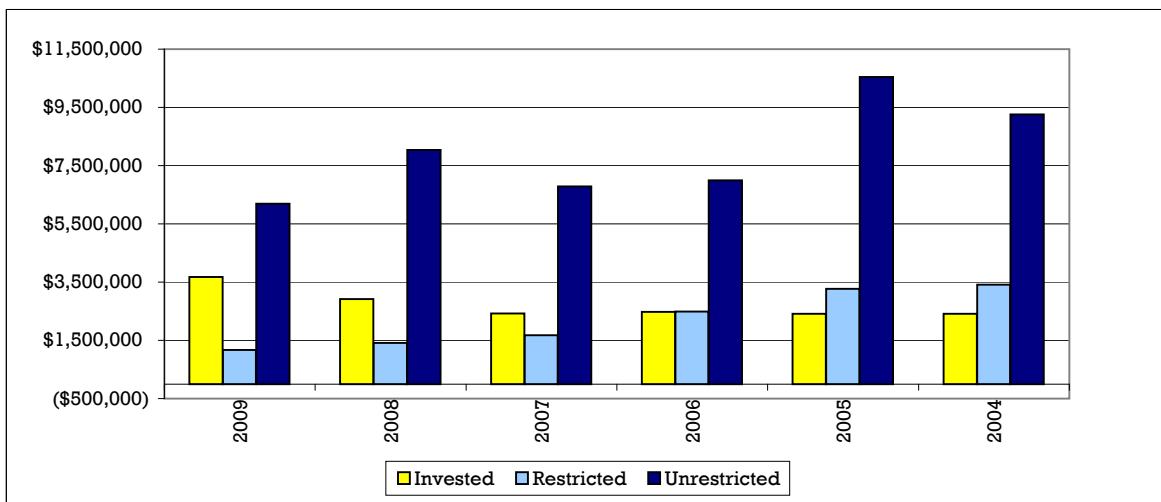
Contents	Pages(s)
Financial Trends	S2 – S7
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
Revenue Capacity	S8 – S17
These schedules contain information to help the reader assess the School District's most significant local revenue, property tax.	
Debt Capacity	S18 – S22
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.	
Economic and Demographic Information	S23 – S25
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
Operating Information	S26 – S36
These schedules contain service and infrastructure 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.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)*

	2009	2008	2007	2006	2005	2004
Invested in Capital Assets, Net of Related Debt	\$3,676,692	\$2,921,927	\$2,427,998	\$2,482,279	\$2,384,038	\$2,413,155
Restricted for:						
Capital Projects	0	203,791	572,855	1,421,037	2,056,488	2,476,282
Debt Service	920,512	940,833	853,475	871,352	1,021,332	866,556
Set Asides	70,259	64,523	61,699	57,595	65,528	0
Other Purposes	176,215	207,526	191,108	140,940	124,920	67,172
Unrestricted	6,190,242	8,035,197	6,787,270	6,993,260	10,549,110	9,261,157
Total Net Assets	\$11,033,920	\$12,373,797	\$10,894,405	\$11,966,463	\$16,201,416	\$15,084,322



Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Changes in Net Assets of Governmental Activities
Last Six Fiscal Years
(accrual basis of accounting)

	2009	2008	2007	2006	2005	2004
Expenses						
Regular Instruction	\$6,039,013	\$5,794,544	\$6,156,227	\$6,076,163	\$5,838,255	\$5,869,465
Special Instruction	1,424,469	918,337	825,587	745,597	680,459	687,407
Adult/Continuing Instruction	0	0	0	1,169	2	0
Other Instruction	92,437	511,308	465,390	368,873	252,397	170,213
Pupil Support	1,555,626	1,404,783	1,453,779	1,261,126	1,061,112	1,187,486
Instructional Staff Support	874,662	706,863	708,825	783,289	770,127	794,617
Board of Education	75,439	70,736	60,436	79,361	49,590	54,524
Administration	1,392,474	1,439,936	1,477,953	1,382,244	1,229,688	1,303,747
Fiscal	583,129	562,305	630,950	571,031	550,112	541,022
Business	143,977	137,018	123,027	121,023	122,223	137,322
Operation and Maintenance of Plant	1,856,780	2,136,883	2,150,284	2,265,590	2,021,402	1,944,830
Pupil Transportation	867,377	914,736	871,818	831,449	751,603	742,184
Central Support	817,592	501,819	70,720	36,357	35,305	44,575
Operation of Non-Instructional Services	140,346	132,732	137,234	166,492	166,091	167,100
Operation of Food Services	324,871	329,448	296,721	294,962	291,518	322,173
Extracurricular Activities	954,582	889,491	866,657	882,647	802,769	888,586
Interest and Fiscal Charges	127,003	105,913	41,447	106,292	85,065	241,747
Total Expenses	17,269,777	16,556,852	16,337,055	15,973,665	14,707,718	15,096,998
Program Revenues						
Charges for Services						
Regular Instruction	205,801	192,328	156,053	123,135	269,318	163,087
Special Instruction	47,580	29,210	20,591	13,291	0	0
Other Instruction	3,266	17,044	12,248	7,000	0	0
Pupil Support	82,534	70,075	52,998	45,785	29,946	37,448
Instructional Staff Support	32,190	24,139	17,269	13,705	1,104	0
Board of Education	2,665	2,365	1,591	1,506	0	0
Administration	49,139	48,091	38,887	25,060	0	0
Fiscal	20,501	18,734	16,500	11,276	0	0
Business	4,950	5,235	2,862	2,062	0	0
Operation and Maintenance of Plant	61,520	51,982	41,409	28,767	0	3,127
Pupil Transportation	28,181	28,356	21,181	14,436	0	0
Central Support	11,027	8,294	354	56	0	0
Operation of Non-Instructional Services	3,368	3,664	2,218	2,173	0	7,185
Operation of Food Service	252,898	249,760	235,286	214,337	184,404	176,958
Extracurricular Activities	71,522	107,717	108,204	54,762	51,125	79,574
Operating Grants and Contributions	336,294	138,246	129,954	109,891	160,880	157,218
Capital Grants and Contributions	5,736	8,564	4,104	0	8,295	0
Total Program Revenues	1,219,172	1,003,804	861,709	667,242	705,072	624,597
Net Expense	(16,050,605)	(15,553,048)	(15,475,346)	(15,306,423)	(14,002,646)	(14,472,401)
General Revenues						
Property Taxes Levied for:						
General Purposes	8,529,495	11,221,389	10,519,294	7,943,040	12,335,490	10,862,710
Debt Service	393,017	490,050	409,247	239,302	487,408	408,992
Capital Outlay	1,166,544	1,113,668	704,687	642,657	295,583	1,300,312
Grants and Entitlements not						
Restricted to Specific Programs	4,499,771	3,623,298	2,613,134	1,693,177	1,695,142	1,693,106
Investment Earnings	253,128	519,398	590,666	441,151	175,730	99,268
Gain on Sale of Capital Assets	0	1,284	0	0	0	0
Miscellaneous	230,773	63,353	77,574	112,143	130,387	63,405
Total General Revenues	15,072,728	17,032,440	14,914,602	11,071,470	15,119,740	14,427,793
Change in Net Assets	(\$977,877)	\$1,479,392	(\$560,744)	(\$4,234,953)	\$1,117,094	(\$44,608)

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund				
Reserved	\$1,404,711	\$1,141,501	\$1,078,033	\$995,751
Unreserved	<u>5,380,230</u>	<u>6,340,204</u>	<u>6,472,788</u>	<u>4,862,325</u>
<i>Total General Fund</i>	<u>6,784,941</u>	<u>7,481,705</u>	<u>7,550,821</u>	<u>5,858,076</u>
All Other Governmental Funds				
Reserved	107,063	100,388	198,591	1,048,208
Unreserved, Undesignated, Reported in:				
Special Revenue funds	147,455	188,136	197,529	170,561
Debt Service funds	939,507	893,969	844,288	0
Capital Projects funds	<u>(64,543)</u>	<u>193,032</u>	<u>417,334</u>	<u>1,208,180</u>
<i>Total All Other Governmental Funds</i>	<u>1,129,482</u>	<u>1,375,525</u>	<u>1,657,742</u>	<u>2,426,949</u>
<i>Total Governmental Funds</i>	<u>\$7,914,423</u>	<u>\$8,857,230</u>	<u>\$9,208,563</u>	<u>\$8,285,025</u>

2005	2004	2003	2002	2001	2000
\$1,251,794	\$1,003,746	\$1,073,464	\$1,630,956	\$994,191	\$904,955
4,459,747	3,362,117	3,998,646	5,808,285	6,601,974	5,761,839
5,711,541	4,365,863	5,072,110	7,439,241	7,596,165	6,666,794
965,341	996,262	660,658	723,138	790,672	691,276
101,619	17,358	61,612	28,954	(235,946)	(247,031)
0	0	0	0	0	0
1,858,163	2,142,577	2,122,889	1,428,271	565,787	511,246
2,925,123	3,156,197	2,845,159	2,180,363	1,120,513	955,491
<u>\$8,636,664</u>	<u>\$7,522,060</u>	<u>\$7,917,269</u>	<u>\$9,619,604</u>	<u>\$8,716,678</u>	<u>\$7,622,285</u>

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Changes in Fund Balances, Governmental Funds (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2008	2007	2006
Revenues				
Property and Other Local Taxes	\$10,973,616	\$11,969,820	\$12,794,129	\$12,954,788
Intergovernmental	4,688,396	3,762,912	2,745,835	1,823,502
Interest	253,128	519,398	652,673	398,016
Tuition and Fees	507,202	467,495	362,884	261,684
Extracurricular Activities	115,575	76,941	72,067	81,330
Contributions and Donations	72	7,196	1,357	0
Charges for Services	252,898	249,760	235,286	214,337
Rentals	1,467	62,798	57,414	0
Lease Revenue	153,333	0	0	0
Miscellaneous	230,773	63,353	77,574	112,143
<i>Total Revenues</i>	<u>17,176,460</u>	<u>17,179,673</u>	<u>16,999,219</u>	<u>15,845,800</u>
Expenditures				
Current:				
Instruction:				
Regular	6,002,471	5,765,741	5,615,524	5,791,380
Special	1,420,083	930,412	805,309	733,463
Adult/Continuing	0	0	0	1,159
Other	92,437	511,308	465,390	365,716
Support Services:				
Pupils	1,517,318	1,306,667	1,366,440	1,423,037
Instructional Staff	867,122	684,423	703,031	749,530
Board of Education	75,439	70,736	60,436	78,682
Administration	1,374,943	1,469,078	1,389,247	1,309,293
Fiscal	583,988	604,891	592,873	589,136
Business	141,778	134,819	115,231	113,916
Operation and Maintenance of Plant	1,802,704	2,096,515	2,101,079	2,331,452
Pupil Transportation	794,971	870,133	807,827	859,077
Central	793,889	498,755	70,720	36,046
Operation of Non-Instructional Services	92,267	84,986	84,919	132,921
Operation of Food Services	334,220	326,054	289,538	271,451
Extracurricular Activities	941,890	876,511	841,695	830,811
Capital Outlay	704,193	1,722,382	1,687,773	0
Debt Service:				
Principal Retirement	484,489	365,710	340,000	499,416
Interest and Fiscal Charges	107,154	69,685	54,263	78,382
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>18,131,356</u>	<u>18,388,806</u>	<u>17,391,295</u>	<u>16,194,868</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(954,896)</u>	<u>(1,209,133)</u>	<u>(392,076)</u>	<u>(349,068)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets		1,650	430	0
Proceeds of Bonds		0	0	0
Premium on Bonds Issued		0	0	0
Payment to Refunded Bond Escrow Agent		0	0	0
Capital Lease Issued		1,218,150	968,230	0
Transfers In	93,451	210,658	110,940	296,786
Transfers Out	(81,362)	(210,658)	(110,940)	(296,786)
<i>Total Other Financing Sources (Uses)</i>	<u>12,089</u>	<u>1,219,800</u>	<u>968,660</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(\$942,807)</u>	<u>\$10,667</u>	<u>\$576,584</u>	<u>(\$349,068)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.39%	2.69%	2.51%	3.57%

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

2005	2004	2003	2002	2001	2000
\$13,270,203	\$11,817,932	\$10,187,458	\$12,267,153	\$11,922,728	\$11,588,156
1,834,337	1,846,416	1,728,052	1,553,851	1,272,753	1,221,955
171,298	139,182	311,553	360,192	825,453	389,550
250,620	157,495	18,600	0	34,855	48,789
87,292	119,681	87,960	68,664	0	63,667
0	0	0	0	0	0
184,404	176,958	157,991	0	0	0
0	0	0	0	0	0
0	0	0	0	0	500,000
157,157	76,650	74,642	38,471	129,553	37,342
<u>15,955,311</u>	<u>14,334,314</u>	<u>12,566,256</u>	<u>14,288,331</u>	<u>14,185,342</u>	<u>13,849,459</u>
5,605,679	5,237,743	5,586,900	5,127,836	4,916,555	4,654,780
676,129	686,567	652,574	620,265	479,447	416,633
2	0	0	0	0	163,511
252,397	170,213	167,038	110,803	195,940	0
1,068,736	1,224,839	1,363,757	1,078,842	1,340,407	1,160,456
724,930	753,644	617,924	793,181	689,281	614,719
49,590	54,524	42,170	241,064	80,136	49,105
1,243,065	1,251,586	1,120,305	1,116,432	1,069,044	969,105
542,951	550,798	590,258	456,560	514,475	440,326
149,655	143,532	91,526	79,166	49,187	87,403
2,017,815	1,998,811	1,700,371	1,609,681	1,592,944	1,358,667
700,954	839,890	701,773	723,219	686,819	575,051
35,305	44,426	58,744	79,855	54,653	41,193
127,824	113,299	125,147	98,606	110,421	74,653
257,211	249,257	213,073	0	0	0
758,613	814,315	654,604	634,890	548,728	522,543
0	15,688	21,894	0	159,405	1,400,535
512,882	403,413	383,275	382,463	381,347	361,380
76,666	183,861	213,197	231,933	254,998	284,887
0	67,923	0	0	0	0
<u>14,800,404</u>	<u>14,804,329</u>	<u>14,304,530</u>	<u>13,384,796</u>	<u>13,123,787</u>	<u>13,174,947</u>
<u>1,154,907</u>	<u>(470,015)</u>	<u>(1,738,274)</u>	<u>903,535</u>	<u>1,061,555</u>	<u>674,512</u>
265	1,815	877	2,199	1,220	333
0	2,905,000	0	0	0	0
0	139,423	0	0	0	0
0	(2,976,500)	0	0	0	0
0	0	0	0	27,395	0
331,844	246,909	306,786	261,786	266,786	303,786
<u>(331,844)</u>	<u>(246,909)</u>	<u>(306,786)</u>	<u>(261,786)</u>	<u>(266,786)</u>	
<u>265</u>	<u>69,738</u>	<u>877</u>	<u>2,199</u>	<u>28,615</u>	<u>304,119</u>
<u>\$1,155,172</u>	<u>(\$400,277)</u>	<u>(\$1,737,397)</u>	<u>\$905,734</u>	<u>\$1,090,170</u>	<u>\$978,631</u>
3.98%	4.43%	4.18%	4.59%	4.91%	5.49%

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Assessed and Estimated Actual Value of Taxable Property
Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2009	\$100,510,750	\$213,709,220	\$897,771,343	\$27,827,240	\$31,621,864
2008	\$99,768,090	\$213,211,940	894,228,657	\$26,734,530	30,380,148
2007	99,386,810	212,995,760	892,521,629	29,061,090	33,023,966
2006	89,215,040	197,780,160	819,986,286	28,215,490	32,063,057
2005	88,752,780	197,007,300	816,457,371	30,043,900	34,140,795
2004	88,421,440	193,896,440	806,622,514	31,854,220	36,197,977
2003	81,611,360	187,873,050	769,955,457	31,012,900	35,241,932
2002	81,271,550	188,458,070	770,656,057	34,947,430	39,712,989
2001	80,632,990	183,759,740	755,407,800	48,671,460	55,308,477
2000	72,320,520	167,184,270	684,299,400	45,215,580	51,381,341

(1) Property is assessed every year. The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Cuyahoga County Auditor

Tangible Personal Property					Weighted Average Tax Rate (per 1,000 of Assessed Value)
General Business		Totals			
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio	
\$23,234,635	\$371,754,160	\$365,281,845	\$1,301,147,366	28.1	\$18.57080
\$48,209,520	378,113,882	387,924,080	1,302,722,687	29.8	\$19.88526
136,711,315	729,127,013	478,154,975	1,654,672,608	28.9	26.19657
151,652,772	606,611,088	466,863,462	1,458,660,431	32.0	26.43190
155,938,714	623,754,856	471,742,694	1,474,353,023	32.0	26.54406
166,742,233	666,968,932	480,914,333	1,509,789,424	31.9	22.34407
185,285,290	741,141,160	485,782,600	1,546,338,549	31.4	22.29744
217,514,923	870,059,692	522,191,973	1,680,428,738	31.1	22.41224
227,216,434	908,865,736	540,280,624	1,719,582,013	31.4	23.09218
225,461,771	901,847,084	510,182,141	1,637,527,825	31.2	23.59382

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Tax (Calendar) Years*

	2008	2007	2006	2005	2004
Unvoted Millage					
Operating	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	4.63061	4.62807	4.62961	5.16779	5.16605
Commercial/Industrial	5.09464	5.09163	5.10240	5.37643	5.47726
Tangible/Public Utility Personal	6.60000	6.60000	6.60000	6.60000	6.60000
1981 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.10482	2.10367	2.10437	2.34900	2.34821
Commercial/Industrial	2.31575	2.31438	2.31927	2.44383	2.48966
Tangible/Public Utility Personal	3.00000	3.00000	3.00000	3.00000	3.00000
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.66106	2.66464	2.66553	2.97540	2.97439
Commercial/Industrial	2.93328	2.93154	2.93775	3.09552	3.15357
Tangible/Public Utility Personal	3.80000	3.80000	3.80000	3.80000	3.80000
1991 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	0.35080	0.35061	0.35073	0.39150	0.39137
Commercial/Industrial	0.38596	0.38573	0.38655	0.40731	0.41494
Tangible/Public Utility Personal	0.50000	0.50000	0.50000	0.50000	0.50000
1992 Bond (\$5,000,000)	1.10000	1.10000	1.00000	1.00000	1.00000
1997 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	3.43787	3.43599	3.43713	3.83670	3.83540
Commercial/Industrial	3.78238	3.78015	3.78815	3.99159	4.06645
Tangible/Public Utility Personal	4.90000	4.90000	4.90000	4.90000	4.90000
2003 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	4.06146	4.05923	4.06059	4.53262	4.53110
Commercial/Industrial	4.37398	4.37140	4.38065	4.61591	4.70248
Tangible/Public Utility Personal	4.90000	4.90000	4.90000	4.90000	4.90000
Total Effective Voted Millage by type of property					
Residential/Agricultural	18.34662	18.34221	18.24796	20.25300	20.24652
Commercial/Industrial	19.98598	19.97483	19.91476	20.93058	21.30437
Tangible/Public Utility Personal	<u>24.80000</u>	<u>24.80000</u>	<u>24.70000</u>	<u>24.70000</u>	<u>24.70000</u>
Total Millage by type of property					
Residential/Agricultural	\$22.44662	\$22.44221	\$22.34796	\$24.35300	\$24.34652
Commercial/Industrial	\$24.08598	\$24.07483	\$24.01476	\$25.03058	\$25.40437
Tangible/Public Utility Personal	<u>\$28.90000</u>	<u>\$28.90000</u>	<u>\$28.80000</u>	<u>\$28.80000</u>	<u>\$28.80000</u>

Source: Cuyahoga County Auditor

2003	2002	2001	2000	1999
<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>
5.58664	5.58664	5.58192	5.58192	6.00304
5.70732	5.70732	5.67831	5.68909	6.50249
6.60000	6.60000	6.60000	6.60000	6.60000
2.53938	2.53938	2.53724	2.53724	2.72866
2.59424	2.59424	2.58105	2.58595	2.95568
3.00000	3.00000	3.00000	3.00000	3.00000
3.21655	3.21655	3.21383	3.21383	3.45630
3.28603	3.28603	3.26933	3.27554	3.74386
3.80000	3.80000	3.80000	3.80000	3.80000
0.42323	0.42323	0.42287	0.42287	0.45478
0.43237	0.43237	0.43018	0.43099	0.49261
0.50000	0.50000	0.50000	0.50000	0.50000
1.00000	1.00000	0.90000	0.90000	1.00000
4.14766	4.14766	4.14415	4.14415	4.45680
4.23726	4.23726	4.21572	4.22372	4.82761
4.90000	4.90000	4.90000	4.90000	4.90000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
16.91346	16.91346	16.80001	16.80001	18.09958
17.25722	17.25722	17.07458	17.10530	19.52225
19.80000	19.80000	19.70000	19.70000	19.80000
\$21.01346	\$21.01346	\$20.90001	\$20.90001	\$22.19958
\$21.35722	\$21.35722	\$21.17458	\$21.20530	\$23.62225
\$23.90000	\$23.90000	\$23.80000	\$23.80000	\$23.90000

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Property Tax Rates - Direct and Overlapping Governments (continued)
(per \$1,000 of assessed value)
Last Ten Tax (Calendar) Years

	2008	2007	2006	2005	2004
Overlapping Rates by Taxing District					
Village of Brooklyn Heights Voted Millage					
Effective Millage Rates					
Residential/Agricultural	4.40000	4.40000	4.40000	4.40000	4.40000
Commercial/Industrial	4.40000	4.40000	4.40000	4.40000	4.40000
Tangible/Public Utility Personal	4.40000	4.40000	4.40000	4.40000	4.40000
Village of Cuyahoga Heights Voted Millage					
Effective Millage Rates					
Residential/Agricultural	4.40000	4.40000	4.40000	4.40000	4.40000
Commercial/Industrial	4.40000	4.40000	4.40000	4.40000	4.40000
Tangible/Public Utility Personal	4.40000	4.40000	4.40000	4.40000	4.40000
Village of Valley View Voted Millage					
Effective Millage Rates					
Residential/Agricultural	6.70000	5.33324	5.33324	5.43835	5.43904
Commercial/Industrial	6.70000	5.61326	5.61770	5.66338	5.70503
Tangible/Public Utility Personal	6.70000	7.10000	7.10000	7.10000	7.10000
Cuyahoga County Voted Millage					
Effective Millage Rates					
Residential/Agricultural	12.66073	11.86887	11.86549	11.72274	10.98959
Commercial/Industrial	12.81530	12.45356	12.49410	12.58806	12.04332
Tangible/Public Utility Personal	13.32000	13.42000	13.42000	13.52000	13.52000
Cuyahoga Valley JVSD Voted Millage					
Effective Millage Rates					
Residential/Agricultural	2.00000	2.00000	2.00000	2.00000	2.00000
Commercial/Industrial	2.00000	2.00000	2.00000	2.00000	2.00000
Tangible/Public Utility Personal	2.00000	2.00000	2.00000	2.00000	2.00000
Cleveland Metro Parks Voted Millage					
Effective Millage Rates					
Residential/Agricultural	1.61981	1.67205	1.67151	1.84645	1.16611
Commercial/Industrial	1.71715	1.71248	1.71874	1.85000	1.31660
Tangible/Public Utility Personal	1.85000	1.85000	1.85000	1.85000	1.55000
Cuyahoga County Library Voted Millage					
Effective Millage Rates					
Residential/Agricultural	2.50000	1.80864	1.80928	1.99354	1.15925
Commercial/Industrial	2.50000	1.87190	1.87640	2.00000	1.17151
Tangible/Public Utility Personal	2.50000	2.00000	2.00000	2.00000	1.40000
Cuyahoga Community College Voted Millage					
Effective Millage Rates					
Residential/Agricultural	2.39520	2.39231	2.39151	2.34519	2.34792
Commercial/Industrial	2.56896	2.56253	2.57221	2.59612	2.58018
Tangible/Public Utility Personal	2.80000	2.80000	2.80000	2.80000	2.80000
Cleveland-Cuyahoga Port Authority Voted Millage					
Effective Millage Rates					
Residential/Agricultural	0.09474	0.09463	0.09459	0.10491	0.10503
Commercial/Industrial	0.10513	0.10487	0.10526	0.11356	0.11286
Tangible/Public Utility Personal	0.13000	0.13000	0.13000	0.13000	0.13000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Source: Cuyahoga County Auditor

2003	2002	2001	2000	1999
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
5.43904	5.50963	5.50840	5.50911	5.66571
5.70503	5.75622	5.75707	5.76178	6.06176
7.10000	7.10000	7.10000	7.10000	7.10000
10.98986	12.46089	11.38145	11.39664	11.41129
12.04332	12.87635	12.00228	11.92973	12.37354
13.52000	14.65000	14.65000	14.65000	13.75000
2.00000	2.00000	2.00000	2.00000	2.00000
2.00000	2.00000	2.00000	2.00000	2.00000
2.00000	2.00000	2.00000	2.00000	2.00000
1.16611	1.27583	1.27715	1.20124	1.37667
1.31660	1.34467	1.33346	1.32474	1.45388
1.55000	1.55000	1.55000	1.55000	1.50000
1.15925	1.25646	1.25829	1.26103	1.39753
1.17151	1.20502	1.19851	1.20058	1.38845
1.40000	1.40000	1.40000	1.40000	1.40000
2.34792	0.00000	0.00000	0.00000	0.00000
2.58018	0.00000	0.00000	0.00000	0.00000
2.80000	0.00000	0.00000	0.00000	0.00000
0.10503	0.00000	0.00000	0.00000	0.00000
0.11286	0.00000	0.00000	0.00000	0.00000
0.13000	0.00000	0.00000	0.00000	0.00000

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Principal Real Property Taxpayers
December 31, 2008 and December 31, 1999*

<u>Taxpayer</u>	<u>December 31, 2008</u>	
	<u>Real Property Assessed Valuation</u>	<u>Percentage of Real Assessed Valuation</u>
Cleveland Electric Illuminating Company	\$20,624,970	6.56%
Duck Creek Energy, Inc.	15,948,280	5.08
CA II, LLC	7,870,910	2.50
American Transmission Systems, Inc.	7,153,760	2.28
Aluminum Co. of America	6,895,710	2.19
MRN Investments LTD	6,204,390	1.97
Boyas Excavating	4,305,250	1.37
Charter Steel - Cleveland, Inc.	3,454,470	1.10
Southport Center LLC	2,845,610	0.91
Kaiser Foundation	2,842,910	0.90
Total	\$78,146,260	24.87%
Total Real Assessed Valuation	\$314,219,970	

<u>Taxpayer</u>	<u>December 31, 1999</u>	
	<u>Real Property Assessed Valuation</u>	<u>Percentage of Real Assessed Valuation</u>
Cleveland Electric Illuminating Company	\$69,043,310	28.83%
Plain Dealer Publishing Company	26,332,250	10.99
ISG Cleveland Inc.	11,728,510	4.90
Charter Steel - Cleveland, Inc.	8,228,570	3.44
Ridge Park Square LLC	7,162,140	2.99
American Greeting Corporation	6,481,200	2.71
Westbrook Village Apartments, LLC	5,027,400	2.10
Troy Combs Property LLC	4,621,160	1.93
Ohio Bell Telephone Company	3,832,270	1.60
Aluminum Company of America (ALCOA)	3,620,650	1.51
Total	\$146,077,460	60.99%
Total Real Assessed Valuation	\$239,504,790	

NOTE: Property Assessed at 35% of Fair Market Value

Real property taxes paid in 2009 are based on January 1, 2008 values.

Real property taxes paid in 1999 are based on January 1, 1998 values.

Source: Cuyahoga County Auditor

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Principal Personal Property Taxpayers
December 31, 2008 and December 31, 1999*

Taxpayer	December 31, 2008	
	Personal Property Assessed Valuation	Percentage of Personal Assessed Valuation
Aluminum Company of America (ALCOA)	\$8,655,910	37.25%
ISG Inc	3,764,390	16.20
Charter Manufacturing Co.	2,708,580	11.66
Gibraltar Strip Steel, Inc.	2,128,230	9.16
Northern Stamping, Inc.	1,061,785	4.57
North American Manufacturing Co.	1,006,395	4.33
Valley Ford truck Sales	926,080	3.99
St. Ivesz Inc. Cleveland	783,785	3.37
Cleveland Freightliner, Inc.	734,285	3.16
Ferro Corporation	722,630	3.11
Total	\$22,492,070	96.80%
Total Personal Property Assessed Valuation	\$23,234,635	

Taxpayer	December 31, 1999	
	Personal Property Assessed Valuation	Percentage of Personal Assessed Valuation
Aluminum Company of America (ALCOA)	\$29,725,670	13.18%
American Steel & Wire Corporation	28,553,100	12.66
LTV Steel Co., Inc.	21,600,660	9.58
U.S. West Financial	6,080,700	2.70
Gibraltar Strip Steel, Inc.	5,448,980	2.42
North American Manufacturing Co.	5,086,230	2.26
Ferro Corporation	4,357,860	1.93
Columbia National Group, Inc.	3,811,040	1.69
Perlmutter Printing Co.	3,583,950	1.59
Park Ohio Industries, Inc.	2,714,100	1.20
Total	\$110,962,290	49.22%
Total Personal Property Assessed Valuation	\$225,461,771	

NOTE: Property Assessed at 25 percent for everything except inventories, which are assessed at 23 percent.
 Personal property taxes paid in 2009 are based on December 31, 2009 values.
 Personal property taxes paid in 1999 are based on December 31, 1999 values.
 Tangible Personal Property Taxes have been phased out by House Bill 66

Source: Cuyahoga County Auditor

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Principal Public Utility Property Taxpayers
December 31, 2008 and December 31, 1999*

Taxpayer	December 31, 2008	
	Public Utility Property Assessed Valuation	Percentage of Public Utility Assessed Valuation
Cleveland Electric Illuminating Co.	\$19,264,380	69.23%
American Transmission Sys	7,332,560	26.35
East Ohio Gas Co.	862,070	3.10
Newburgh & South Shore	197,360	0.71
CSX Transportation Inc.	163,930	0.59
Arcelormittal Cleveland	6,940	0.02
Total	\$27,827,240	100.00%
Total Public Utility Assessed Valuation	\$27,827,240	

Taxpayer	December 31, 1999	
	Public Utility Property Assessed Valuation	Percentage of Public Utility Assessed Valuation
Cleveland Electric Illuminating Company	\$29,524,620	65.30%
Ohio Bell Telephone Co.	3,832,270	8.48
East Ohio Gas	2,885,530	6.38
Perlmutter Printing Co.	1,184,480	2.62
Alltel Ohio Limited Partner	429,710	0.95
Teligent Services Inc.	237,240	0.52
Newburgh & South Shore	111,040	0.25
Ohio Telephone & Telegraph	101,410	0.22
CSX Transportation Inc.	90,010	0.20
ICG Ohio Linx Inc.	89,070	0.20
Total	\$38,485,380	77.69%
Total Public Utility Assessed Valuation	\$45,215,580	

NOTE: Property Assessed from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

Personal property taxes paid in 2007 are based on December 31, 2007 values.

Personal property taxes paid in 1998 are based on December 31, 1998 values.

Source: Cuyahoga County Auditor

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Property Tax Levies and Collections (1)
Last Ten Years

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2008	\$8,879,719	\$8,316,018	93.65%	\$200,512	\$8,516,530	95.91%
2007	8,124,911	7,585,137	93.36	177,529	7,762,666	95.54
2006	8,124,911	7,657,512	94.25	217,391	7,874,903	96.92
2005	7,922,431	7,597,041	95.89	219,529	7,816,570	98.66
2004	6,796,252	6,642,811	97.74	351,610	6,994,421	100.00
2003	6,138,098	6,063,551	98.79	320,949	6,384,500	100.00
2002	5,511,204	5,459,517	99.06	238,251	5,697,768	100.00
2001	6,364,499	6,259,705	96.68	474,916	6,734,621	100.00
2000	6,643,384	6,366,637	95.83	249,680	6,616,317	99.59
1999	6,536,875	6,337,307	96.95	102,201	6,439,508	98.51

Source: Office of the County Auditor, Cuyahoga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2009 information cannot be presented because all collections have not been made by June 30, 2009.
- (3) The County does not maintain delinquency information by tax year.

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Ratio of Outstanding Debt
to Estimated Actual Value and Debt per Capita
Last Ten Fiscal Years*

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Obligation Bonded Debt		
			General Bonded Debt Outstanding	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2009	4,336	\$1,301,147,366	\$1,195,000	0.09%	\$275.60
2008	4,336	1,302,722,687	1,545,000	0.12%	356.32
2007	4,336	1,654,672,608	1,890,000	0.11%	435.89
2006	4,120	1,458,660,331	2,230,000	0.15%	541.26
2005	4,168	1,474,353,023	2,729,416	0.19%	654.85
2004	4,216	1,509,789,424	3,242,298	0.21%	769.05
2003	4,266	1,546,338,549	3,638,660	0.24%	852.94
2002	4,284	1,680,428,738	4,012,364	0.24%	936.59
2001	4,308	1,719,582,013	4,368,785	0.25%	1,014.11
2000	4,331	1,637,527,825	4,708,280	0.29%	1,087.11

(1) U.S. Bureau of Census, Census of Population

(2) Office of the Auditor, Cuyahoga County, Ohio

(3) Median Income can be Found on S24

(4) Personal Income can be Found on S24

(5) Student Information can be Found on S25

General Debt

Capital Leases	Total Debt	Ratio of Total Debt to Median Income (3)	Ratio of Total Debt to Personal Income (4)	Total Debt per Student (5)
\$2,031,181	\$3,226,181	97.62%	3.02%	\$3,699.75
2,165,670	3,710,670	112.28	3.47	2,155.07
968,230	2,858,230	86.49	2.67	2,534.09
0	2,230,000	67.48	2.22	3,151.75
0	2,729,416	82.59	2.65	3,731.07
0	3,242,298	98.11	3.12	4,394.52
7,051	3,645,711	110.32	3.46	4,834.17
16,622	4,028,986	121.92	3.80	5,207.13
42,664	4,411,449	133.49	4.11	5,652.20
57,121	4,765,401	144.20	4.41	5,989.51

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Computation of Legal Debt Margin
Last Ten Fiscal Years*

	2009	2008	2007	2006	2005
Assessed Valuation (1)	<u>\$342,047,210</u>	<u>\$387,924,080</u>	<u>\$478,154,975</u>	<u>\$466,863,462</u>	<u>\$471,742,694</u>
Debt Limit - 9% of Assessed Value (2)	\$30,784,249	\$34,913,167	\$43,033,948	\$42,017,712	\$42,456,842
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	1,195,000	1,545,000	1,890,000	2,230,000	2,565,000
Energy Conservation Bonds	0	0	0	0	164,416
Less Amount Available in Debt Service	<u>(998,844)</u>	<u>(947,041)</u>	<u>(880,646)</u>	<u>(817,048)</u>	<u>(737,048)</u>
Total	196,156	597,959	1,009,354	1,412,952	1,992,368
Exemptions:					
Energy Conservation Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>(164,416)</u>	<u>(337,298)</u>
Amount of Debt Subject to Limit	<u>196,156</u>	<u>597,959</u>	<u>1,009,354</u>	<u>1,248,536</u>	<u>1,655,070</u>
Legal Debt Margin	<u>\$30,588,093</u>	<u>\$34,315,208</u>	<u>\$42,024,594</u>	<u>\$40,769,176</u>	<u>\$40,801,772</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.36%	98.29%	97.65%	97.03%	96.10%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$342,047	\$387,924	\$478,155	\$466,863	\$471,743
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$342,047</u>	<u>\$387,924</u>	<u>\$478,155</u>	<u>\$466,863</u>	<u>\$471,743</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Cuyahoga County Auditor and School District Financial Records

- (1) Starting in fiscal year 2006, HB 530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

2004	2003	2002	2001	2000
<u>\$480,914,333</u>	<u>\$485,782,600</u>	<u>\$522,191,973</u>	<u>\$540,280,624</u>	<u>\$510,182,141</u>
\$43,282,290	\$43,720,434	\$46,997,278	\$48,625,256	\$45,916,393
2,905,000	3,145,000	3,370,000	3,585,000	3,790,000
337,298	493,660	642,364	783,785	918,280
(626,394)	(565,788)	(555,889)	(484,575)	(399,663)
2,615,904	3,072,872	3,456,475	3,884,210	4,308,617
(493,660)	(642,364)	(783,785)	(918,280)	(1,046,187)
2,122,244	2,430,508	2,672,690	2,965,930	3,262,430
<u>\$41,160,046</u>	<u>\$41,289,926</u>	<u>\$44,324,588</u>	<u>\$45,659,326</u>	<u>\$42,653,963</u>
95.10%	94.44%	94.31%	93.90%	92.89%
\$480,914	\$485,783	\$522,192	\$540,281	\$510,182
0	0	0	0	0
<u>\$480,914</u>	<u>\$485,783</u>	<u>\$522,192</u>	<u>\$540,281</u>	<u>\$510,182</u>
100.00%	100.00%	100.00%	100.00%	100.00%

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*Computation of Direct and Overlapping Governmental Activities Debt
June 30, 2009*

<u>Political Subdivision</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable To County (1)</u>	<u>Amount Applicable To County</u>
Direct Debt			
Cuyahoga Heights Local School District	<u>\$1,195,000</u>	100.00%	<u>\$1,195,000</u>
Overlapping			
Village of Brooklyn Heights	395,000	19.80%	78,210
Village of Valley View	2,805,000	34.90%	978,945
Cuyahoga County	188,814,000	1.89%	3,568,585
Regional Transit Authority	<u>147,400,000</u>	1.89%	<u>2,785,860</u>
<i>Total Overlapping</i>	<u>339,414,000</u>		<u>7,411,600</u>
<i>Totals</i>	<u><u>\$340,609,000</u></u>		<u><u>\$8,606,600</u></u>

(1) Percentages were determined by dividing the assessed valuation of the political subdivisions located within the boundaries of the School District, by the total assessed valuation of the political subdivisions.

Source: Cuyahoga County Auditor

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Principal Employers
December 31, 2008 and December 31, 2006 (1)

December 31, 2008				
Employer	City	Nature of Business	Employees	Percent of District Total
ISG Cleveland Inc.	Cuyahoga Heights	Steel Manufacturing	1,400	17.5%
ALCOA	Cuyahoga Heights	Aluminum Manufacturing	1,100	13.8%
Safeguard Properties	Brooklyn Heights	Real Estate	550	6.9%
St. Ives	Cuyahoga Heights	Printing	420	5.3%
Kaiser Foundation	Brooklyn Heights	Healthcare Insurance	360	4.5%
Weltman Weinberg & Reis	Brooklyn Heights	Law Firm	335	4.2%
The North American Manufacturing Co.	Cuyahoga Heights	Manufacturing	315	3.9%
Northeast Ohio Regional Sewer	Cuyahoga Heights	Public Utility Sewer	292	3.7%
Northern Stamping Acquisition	Valley View	Manufacturing	250	3.1%
Charter Manufacturing Company Inc.	Cuyahoga Heights	Steel Manufacturing	219	2.7%
Asset Acceptance LLC	Brooklyn Heights	Consulting	200	2.5%
Total			5,441	68.0%
Total Employment within the School District			8,000	

December 31, 2006				
Employer	City	Nature of Business	Employees	Percent of District Total
ISG Cleveland Inc.	Cuyahoga Heights	Steel Manufacturing	1,440	18.0%
ALCOA	Cuyahoga Heights	Aluminum Manufacturing	1,195	14.9%
St. Ives	Cuyahoga Heights	Printing	420	5.3%
Kaiser Foundation	Brooklyn Heights	Healthcare Insurance	355	4.4%
Weltman Weinberg & Reis	Brooklyn Heights	Law Firm	332	4.2%
The North American Manufacturing Co.	Cuyahoga Heights	Manufacturing	315	3.9%
Northeast Ohio Regional Sewer	Cuyahoga Heights	Public Utility Sewer	292	3.7%
Northern Stamping Acquisition	Valley View	Manufacturing	250	3.1%
Asset Acceptance LLC	Brooklyn Heights	Consulting	219	2.7%
Charter Manufacturing Company Inc.	Cuyahoga Heights	Steel Manufacturing	213	2.7%
Total			5,031	62.9%
Total Employment within the School District			8,000	

Source: Number of employees obtained from the W2's
from our Tax Department

(1) Information prior to 2006 is not available.

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

Demographic and Economic Statistics Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income</u>	<u>Median Age</u>
2009	4,336	\$106,964,784	\$24,669	\$34,722	42.0
2008	4,336	106,964,784	24,669	\$33,377	42.7
2007	4,336	106,964,784	24,669	33,047	42.0
2006	4,120	101,636,280	24,669	33,055	44.2
2005	4,168	102,820,392	24,669	33,024	44.2
2004	4,216	104,004,504	24,669	33,062	42.0
2003	4,266	105,237,954	24,669	32,602	42.0
2002	4,284	105,681,996	24,669	33,215	42.0
2001	4,308	106,274,052	24,669	33,215	42.0
2000	4,331	106,841,439	24,669	33,215	42.0

Source U.S. Census Bureau and Ohio Department of Development

- (1) Personal income per capita figures are for Cuyahoga County. The personal income per capita for the 3 villages that make up the School District were not available.
U.S. Bureau of Census, Census of Population

Average Daily Membership	Unemployment Rates			Total Assessed Property Value
	Cuyahoga County	State of Ohio	United States	
888	8.6%	10.5%	10.2%	\$365,281,845
872	8.7%	7.2%	6.3%	\$387,924,080
877	3.9%	5.6%	4.7%	478,154,975
880	5.4%	5.2%	4.8%	466,863,462
866	6.5%	6.1%	5.2%	471,742,694
869	6.8%	6.4%	5.8%	480,914,333
828	7.2%	6.8%	6.5%	485,782,600
830	6.1%	6.0%	6.0%	522,191,973
839	4.7%	4.4%	4.7%	540,280,624
833	4.5%	4.2%	4.1%	510,182,141

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Staffing Statistics - Full Time Equivalent by Type and Function
Last Ten Fiscal Years*

Staff Type	2009	2008	2007	2006	2005
Teaching Staff:					
Elementary School	25	25	26	24	24
Middle School	13	13	12	9	10
High School	21	21	21	25	26
Other	2	2	2	2	2
Administration:					
District	7	7	7	7	7
Auxiliary Staff:					
Counselors	4	4	5	4	4
Speech	1	1	1	1	1
Nurses and Mental Health Specialists	5	5	4	4	4
Support Staff:					
Secretarial, Finance Clerks, EMIS	11	11	13	10	11
Aides	8	8	10	10	11
Student Monitors, Pool Managers, Fitness Center	3	3	3	4	5
Cooks	5	5	5	7	7
Custodial	7	7	8	7	7
Maintenance	6	6	7	11	11
Bus Drivers	6	6	9	11	11
Mechanics	1	1	1	1	1
Extracurricular Coaches	20	20	20	20	21
Total	145	145	154	157	163

Staff Function	2009	2008	2007	2006	2005
Instruction:					
Regular	60	60	59	58	60
Other	4	4	2	11	11
Support Services:					
Pupil	20	20	24	14	16
Administration	7	7	7	6	6
Fiscal	3	3	3	3	4
Operation and Maintenance	13	13	17	25	24
Pupil Transportation	7	7	12	12	12
Central	11	11	10	8	9
Extracurricular Activities	20	20	20	20	21
Totals	145	145	154	157	163

Date Source: EMIS reporting from the Ohio Department of Education

2004	2003	2002	2001	2000
24	24	24	24	24
10	10	10	11	9
26	25	25	25	26
2	2	1	1	1
8	8	8	8	8
3	4	4	4	4
1	1	1	1	1
3	1	0	0	0
12	12	13	14	14
11	11	10	8	9
5	6	4	6	5
7	7	7	7	7
8	8	8	7	7
11	10	11	10	11
11	11	10	8	8
1	1	1	1	1
24	23	22	23	20
167	164	159	158	155

2004	2003	2002	2001	2000
60	59	59	60	59
9	8	6	6	6
16	17	14	14	14
7	7	7	7	7
4	3	4	4	4
26	25	26	24	25
12	12	11	9	9
9	10	10	11	11
24	23	22	23	20
167	164	159	158	155

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

*Building Statistics by Function/Program
Last Ten Fiscal Years*

	2009	2008	2007	2006	2005
High School					
Constructed in 1938					
Total Building Square Footage	233,229	233,229	233,229	233,229	233,229
Student Capacity	800	800	800	800	800
Student Enrollment	534	534	517	514	493
Elementary School					
Constructed in 1952					
Total Building Square Footage	91,852	91,852	91,852	91,852	91,852
Student Capacity	800	800	800	800	800
Student Enrollment	338	338	374	366	373
Gymnasium/Pool					
Constructed in 1978					
Total Building Square Footage	18,070	18,070	18,070	18,070	18,070
North/South Bus Garage					
Constructed in 1957					
Total Building Square Footage	5,250	5,250	5,250	5,250	5,250
East/West Bus Garage					
Constructed in 1938					
Total Building Square Footage	5,400	5,400	5,400	5,400	5,400
Storage Building					
Constructed in 2001					
Total Building Square Footage	550	550	550	550	550

Source: Cuyahoga Heights Local School District, Treasurer's Office

2004	2003	2002	2001	2000
233,229	233,229	233,229	233,229	233,229
800	800	800	800	800
485	474	463	452	446
91,852	91,852	91,852	91,852	91,852
800	800	800	800	800
384	354	367	387	387
18,070	18,070	18,070	18,070	18,070
5,250	5,250	5,250	5,250	5,250
5,400	5,400	5,400	5,400	5,400
550	550	550	550	0

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Governmental Funds		Average Daily Membership
	Expenses (1)	Expense Per Pupil	Expenditures (2)	Expenditure Per Pupil	
2009	\$17,269,777	\$19,448	\$18,131,356	\$20,418	888
2008	\$16,556,852	18,987	\$18,388,806	21,088	872
2007	16,337,055	18,628	17,391,295	19,830	877
2006	15,973,665	18,152	16,194,868	18,403	880
2005	14,707,718	16,984	14,800,404	17,091	866
2004	15,097,007	17,373	14,804,329	17,036	869
2003	13,854,530	16,733	14,304,530	17,276	828
2002	n/a	n/a	13,384,796	16,126	830
2001	n/a	n/a	13,123,787	15,642	839
2000	n/a	n/a	13,174,947	15,816	833

Source: School District Records
Ohio Department of Education

(1) Information prior to 2003 is not available.

(2) Based upon accrual less debt service expenditures

ADM Percentage Change	Student Attendance Percentage	Students on Free and Reduced Lunch	Percent of Students on Free and Reduced Luch	Teaching Staff	Pupil/ Teacher Ratio
1.83%	96.0%	129	14.5%	64	13.9
-0.57%	96.3%	116	13.3%	64	13.6
-0.34%	95.9%	101	11.5%	65	13.5
1.62%	96.6%	78	8.9%	65	13.5
-0.35%	95.4%	54	6.2%	60	14.4
4.95%	95.7%	51	5.9%	60	14.5
-0.24%	96.0%	21	2.5%	59	14.0
-1.07%	95.9%	19	2.3%	59	14.1
0.72%	95.8%	19	2.3%	60	14.0
#DIV/0!	96.0%	19	2.3%	59	14.1

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Teacher Education and Experience
June 30, 2009

Education	Number of Teachers	Percentage of Teachers	Salary Range	Average Salary
Bachelor's Degree	5	7.8%	\$31,708 - \$75,598	\$53,649
Bachelor's Degree + 18 Hours	13	20.3%	\$33,294 - \$77,497	55,396
Master's Degree	27	42.2%	\$34,878 - \$79,395	57,137
Master's Degree + 18 Hours	18	28.1%	\$36,464 - \$81,294	58,879
PhD	1	1.6%	\$38,049 - \$85,015	61,532
Total	64	100.0%		

Experience	Number of Teachers	Percentage of Teachers	Salary Range	Average Salary
0 - 5 Years	20	31.3%	\$31,708 - \$53,576	\$42,642
6 - 10 Years	7	10.9%	\$50,386 - \$64,283	57,335
11 - 20 Years	18	28.1%	\$63,030 - \$81,295	72,162
More than 20 Years	19	29.7%	\$75,598 - \$85,015	80,307
Total	64	100.0%		

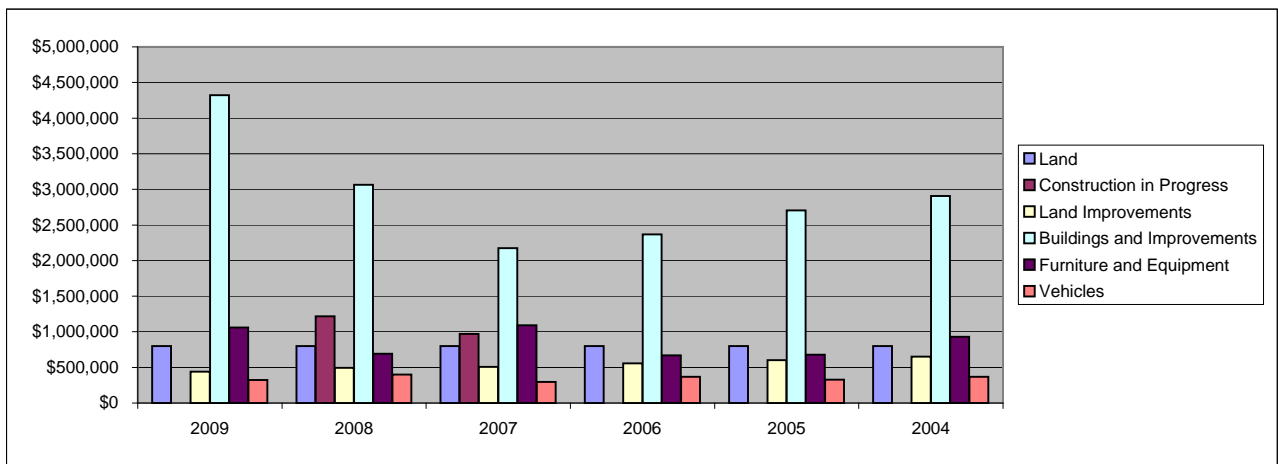
Source: Cuyahoga Heights LSD, Treasurer's Office

Cuyahoga Heights Local School District
Cuyahoga County, Ohio

Capital Assets Statistics
Last Six Fiscal Years

	2009	2008	2007	2006	2005	2004
Capital Assets:						
Land	\$798,600	\$798,600	\$798,600	\$798,600	\$798,600	\$798,600
Construction in Progress	0	1,218,150	968,230	0	0	0
Land Improvements	438,076	491,943	507,805	555,285	602,765	650,245
Buildings and Improvements	4,321,944	3,062,970	2,174,416	2,368,945	2,702,826	2,908,323
Furniture and Equipment	1,062,173	692,526	580,471	669,701	680,540	928,384
Vehicles	323,937	400,186	296,428	367,415	328,723	369,901
Total Capital Assets	\$6,944,730	\$6,664,375	\$5,325,950	\$4,759,946	\$5,113,454	\$5,655,453

Note: Capital asset amounts reported above are presented net of accumulated depreciation.

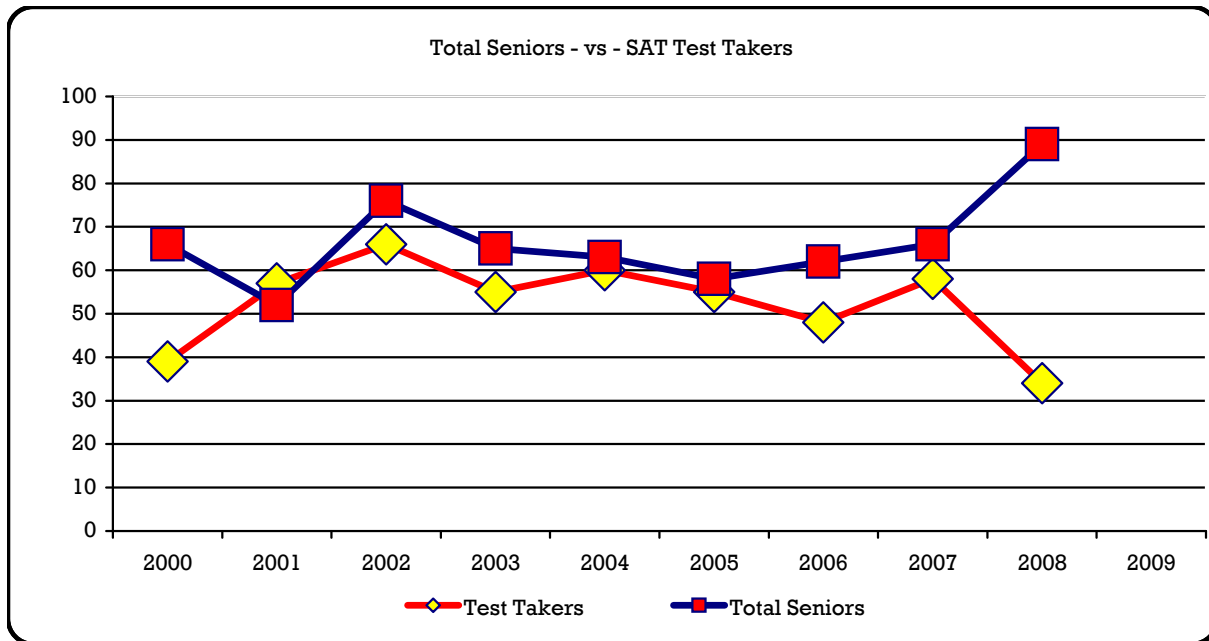


Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*SAT Composite Scores
Last Ten Fiscal Years*

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cuyahoga Heights Verbal	Ohio Verbal	National Verbal
2009	31	65	47.69	488	537	501
2008	34	89	38.20	487	534	502
2007	58	66	87.88	493	536	502
2006	48	62	77.42	506	535	503
2005	55	58	94.83	561	539	508
2004	60	63	95.24	511	538	508
2003	55	65	84.62	508	536	507
2002	66	76	86.84	517	533	504
2001	57	52	109.62	494	534	506
2000	33	66	50.00	523	533	505



Source: High School Guidance Office,
Cuyahoga Heights Local School District

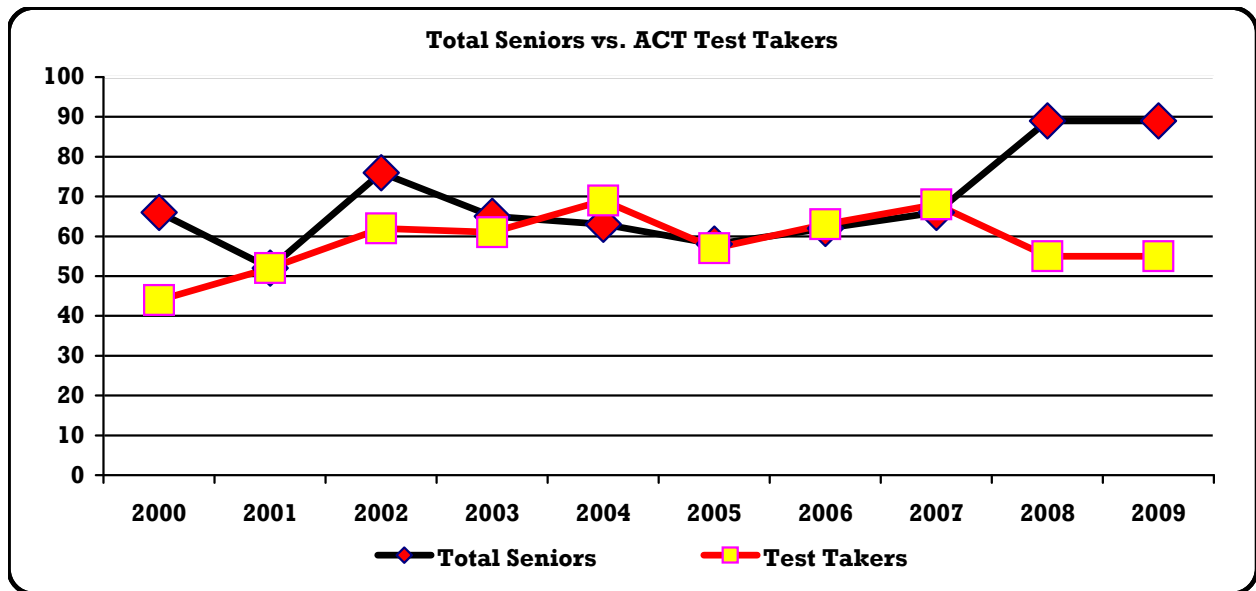
Cuyahoga Heights Math	Ohio Math	National Math
516	546	515
502	544	515
516	542	515
538	544	518
571	543	520
529	542	518
516	541	519
522	540	516
511	539	514
513	539	514

Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*ACT Composite Scores
Last Ten Fiscal Years*

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cuyahoga Heights Composite	Ohio Composite	National Composite
2009	34	65	52.31	22.1	21.7	21.1
2008	55	89	61.80	21.5	21.7	21.1
2007	68	66	103.03	22.2	21.6	21.2
2006	63	62	101.61	21.8	21.5	21.1
2005	57	58	98.28	24.5	21.4	20.9
2004	69	63	109.52	22.7	21.4	20.9
2003	61	65	93.85	21.5	21.4	20.8
2002	62	76	81.58	21.8	21.4	20.8
2001	52	52	100.00	23.1	21.4	21.0
2000	44	66	66.67	22.8	21.4	21.0



Source: High School Guidance Office,
Cuyahoga Heights Local School District

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
AUDIT REPORT LETTERS
JUNE 30, 2009

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' 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*

To the Board of Education
Cuyahoga Heights Local School District
4820 East 71st Street
Cuyahoga Heights, Ohio 44125

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga Heights Local School District (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 6, 2010. 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.

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*.

This report is intended solely for the information and use of the Board of Education and management and is not intended to be and should not be used by anyone other than these specified parties.

CANTER & ASSOCIATES



Poland, Ohio
January 6, 2010

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Prior Period Adjustment in the self insurance fund (024)	YES	



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Independent Accountants' Report on Applying Agreed-Upon Procedures

Cuyahoga Heights Local School District
Cuyahoga County
4820 East 71st Street
Cuyahoga Heights, Ohio 44125

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Cuyahoga Heights Local School District, (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on June 20, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (6) A procedure for documenting any prohibited incident that is reported;
 - (7) A procedure for responding to and investigating any reported incident;

- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.



Canter & Associates

January 6, 2010



Mary Taylor, CPA
Auditor of State

CUYAHOGA HEIGHTS LOCAL 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
APRIL 1, 2010**