

**CUYAHOGA HEIGHTS LOCAL
SCHOOL DISTRICT**

SUPPLEMENTAL REPORT

JUNE 30, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398
www.auditor.state.oh.us

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

We have reviewed the Independent Auditor's Report of the Cuyahoga Heights Local School District, Cuyahoga County, prepared by Trimble, Julian & Grube, Inc., for the audit period July 1, 2000 through June 30, 2001. 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

January 3, 2002

This Page is Intentionally Left Blank.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

TABLE OF CONTENTS

Report on Compliance and on Internal Control Over Financial Reporting Based
on an Audit of General Purpose Financial Statements Performed in
Accordance With *Government Auditing Standards* 1 - 2

This Page is Intentionally Left Blank.

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Education
Cuyahoga Heights Local School District
4820 E. 71ST Street
Cleveland, Ohio 44125-1095

We have audited the general purpose financial statements of Cuyahoga Heights Local School District, Cuyahoga County, as of and for the fiscal year ended June 30, 2001, and have issued our report thereon dated November 2, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether Cuyahoga Heights Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Board of Education
Cuyahoga Heights Local School District

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cuyahoga Heights Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the management and Board of Education of Cuyahoga Heights Local School District, Cuyahoga County, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.
November 2, 2001

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

CUYAHOGA HEIGHTS, OHIO

LOCAL SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2001

**PREPARED BY
TREASURER'S DEPARTMENT
CYNTHIA STRICKLAND, RSBFO, TREASURER**

4820 E. 71ST ST. CUYAHOGA HEIGHTS, OHIO 44125

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

This Page is Intentionally Left Blank.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

T A B L E O F C O N T E N T S

I. INTRODUCTORY SECTION

Title Page	
Table of Contents	I 1
Letter of Transmittal	I 6
List of Principal Officials	I 20
Organizational Chart	I 21
Certificate of Achievement for Excellence in Financial Reporting	I 22
Certificate of Excellence in Financial Reporting	I 23

II. FINANCIAL SECTION

Independent Auditor's Report	F 1
General Purpose Financial Statements: (Combined Statements - Overview)	
Combined Balance Sheet - All Fund Types and Account Groups	F 3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - All Governmental Fund Types and Expendable Trust Fund	F 5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Comparison (Non-GAAP Budgetary Basis) All Governmental Fund Types	F 6
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance - All Proprietary Fund Types and Nonexpendable Trust Fund	F 7
Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Fund	F 8
Notes to the General Purpose Financial Statements	F 9

TABLE OF CONTENTS

Combining, Individual Fund, and Account Group Statements and Schedules:

Governmental Funds:

General Fund

Description of Fund	F 49
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis)	F 50

Special Revenue Funds

Description of Funds	F 53
Combining Balance Sheet	F 55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)	F 59

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

Public School Support	F 63
Other Grants	F 64
District Managed Student Activity	F 65
Teacher Development	F 66
Management Information Systems	F 67
Network Connectivity Subsidy	F 68
SchoolNet Professional Development	F 69
Ohio Reads	F 70
Alternative Education Grant	F 71
Safe School Grant	F 72
NDEA Title II	F 73
Title I	F 74
Title VI	F 75
Drug-Free School Grant	F 76
Class Size Reduction	F 77
Total - All Special Revenue Funds	F 78

Debt Service Fund

Description of Fund	F 80
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)	F 81

Capital Projects Funds

Description of Funds	F 82
Combining Balance Sheet	F 83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	F 84

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

Permanent Improvement	F 85
Building	F 86
SchoolNet Plus	F 87
Total - All Capital Projects Funds	F 88

Proprietary Funds:

Enterprise Funds

Description of Funds	F 89
Combining Balance Sheet	F 90
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	F 91
Combining Statement of Cash Flows	F 92

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

Food Service	F 93
Uniform School Supplies	F 94
Adult Education	F 95
Total - All Enterprise Funds	F 96

Internal Service Funds

Description of Funds	F 97
Combining Balance Sheet	F 98
Combining Statement of Revenues, Expenses and Changes in Retained Earnings(Accumulated Deficit)	F 99
Combining Statement of Cash Flows	F 100

TABLE OF CONTENTS

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

Internal Service Rotary	F 101
Employee Benefits Self-Insurance	F 102
Total - All Internal Service Funds	F 103

Fiduciary Funds:

Description of Funds	F 104
Combining Balance Sheet	F 105

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

Expendable Trust Fund	F 106
Nonexpendable Trust Fund.	F 107

Combining Statement of Changes in Assets and Liabilities - All Agency Funds	F 108
--	-------

General Fixed Assets Account Group

Description of Account Group	F 109
Schedule of General Fixed Assets by Function and Asset Class	F 110
Schedule of Changes in General Fixed Assets by Function.	F 111
Schedule of General Fixed Assets by Source	F 112

III. STATISTICAL SECTION

General Fund Expenditures by Function – Last Ten Fiscal Years	S 1
General Fund Revenues by Source – Last Ten Fiscal Years	S 2
Property Tax Levies and Collections – Real and Public Utility Real Property Taxes -- Last Ten Calendar Years	S 3
Assessed and Estimated Actual Value of Taxable Property – Last Ten Calendar Years	S 4
Property Tax Rates – Direct and Overlapping Governments – Last Ten Calendar Years	S 5

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita – Last Ten Fiscal Years	S 6
Computation of Legal Debt Margin – June 30, 2001	S 7
Computation of Direct and Overlapping General Obligation Bonded Debt – December 31, 2000	S 8
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures – Last Ten Fiscal Years	S 9
Demographic Statistics – Last Ten Calendar Years	S 10
Property Value, County Unemployment Rate, and Financial Institution Deposits – Last Ten Calendar Years	S 11
Principal Taxpayers – December 31, 2000	S 12
Enrollment Statistics – Last Ten Fiscal Years	S 13
Teacher Education and Experience – June 30, 2001	S 14
Average ACT Scores – Last Ten Fiscal Years	S 15

This Page is Intentionally Left Blank.

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

This Page is Intentionally Left Blank.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

4820 East 71st Street
Cuyahoga Heights, Ohio 44125

Peter P. Guerrero, Superintendent
Telephone: 216-429-5700
Fax: 216-341-3737

C. H. Strickland, RSBFO, Treasurer
Telephone: 216-429-5800
Fax: 216-429-5804

December 19, 2001

Board of Education Members and Residents
of the Cuyahoga Heights Local School District

We are pleased to submit to you Cuyahoga Heights Local School District's third Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the School District (the "District") for the fiscal year ended June 30, 2001. This CAFR, which includes an opinion from the Independent Public Accounting Firm that performed the District's audit, conforms to generally accepted accounting principles (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chambers of Commerce, major taxpayers, the Cleveland Public Library, Cuyahoga County Colleges and Universities, financial rating services, and other interested parties.

The comprehensive annual financial report is presented in three sections:

1. The Introductory Section, which is unaudited, includes this transmittal letter, a table of contents, list of principal officials, the District's organizational chart, and awards received from the Government Finance Officers Association and the Association of School Business Officials International for the 2000 CAFR report.
2. The Financial Section, which includes the independent auditor's report, the general purpose financial statements and explanatory notes, and combining and individual fund and account group financial statements and schedules.
3. The Statistical Section, which is unaudited, includes various tables which reflect financial and demographic information, financial trends, and the fiscal capacity of the District.

School District Organization

Cuyahoga Heights Local School District is one of 682 public and community school districts in the State of Ohio and 42 in Cuyahoga County. It provides education to approximately 839 students in preschool (age 4) through grade 12. A half-day class for preschool children is also provided. The District is located in Cuyahoga County in northeastern Ohio, approximately five miles south of the downtown area of the City of Cleveland. The District's territory encompasses all the territory of the Villages of Brooklyn Heights, Cuyahoga Heights, and Valley View. The District was formed in 1938. The first graduating class of the District was the class of 1939.

Statutorily, the District operates under 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/or 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 District monies. Two of the Board members have served nine years each, one Board member has served seven years and two Board members have served three years each.

The superintendent is the chief administrative officer of the District, responsible for both education and support operations. The treasurer is the chief financial officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing of funds as specified by Ohio law.

The Reporting Entity

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units.

Excluded from the reporting entity, because they are fiscally independent of the District, are the Villages of Brooklyn Heights, Cuyahoga Heights, and Valley View, the Parent-Teacher Association, and the Booster Clubs. The Lakeshore Northeast Computer Association and Cuyahoga Valley Career Center are reported as jointly governed organizations. The District is a member of the Ohio Schools' Council, a jointly governed organization, and participates in the Council's Electricity and Natural Gas purchasing program, as well as an insurance purchasing pool for employee dental, vision and group life insurance. The District also participates in the Ohio School Boards Association Workers' Compensation Group Rating Program, an insurance purchasing pool.

Economic Outlook

The boundaries of the District limit opportunities for residential property growth. Industrial enterprises represent over 90% of the District's tax duplicate. The unemployment rate for Cuyahoga County was 4.6 percent for calendar year 2000. The rate of unemployment for the United States during the same time period was 4.0 percent.

The District will benefit from additional enterprises within the three villages. Recently granted tax abatements to certain companies have resulted in revenue-sharing agreements with each of the three villages.

The District's financial condition continues to be an area of focus for the Board of Education and Administration. In litigation now referred to as the "DeRolph Case", the Perry County Court of Common Pleas in 1995 declared the State's method of funding school districts to be unconstitutional. On March 24, 1997, the Ohio Supreme Court upheld most of the Perry County ruling by declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's school foundation program, which provides significant amounts of monetary support to the District.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined that they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Supreme Court. The Supreme Court upheld their initial ruling in May, 2000 and after further modifications to the funding plan by the legislature, the Court on September 6, 2001 issued an opinion which listed areas which required further modification if the funding plan was to be considered constitutional. On September 17, 2001, the State of Ohio petitioned the Court to reconsider and clarify its decision. On November 2, 2001, the Court granted this request.

As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations. See Note 16 to the general purpose financial statements for further detail on the State school funding decision.

Major Initiatives

The mission statement of the District's Board of Education reads:

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 after a collaborative effort by administrators, teachers, and community residents, and has become the blueprint for achieving academic excellence into the next millennium. The Academic Strategic Plan focuses on teaching strategies, curriculum and instruction and gives a clear vision and sense of the intended future and why.

1. To infuse technology in all areas of learning (K-12).
2. To raise expectations and achievement levels in all children.
3. To develop stronger communication between students, parents, and teachers in all personal and academic matters.

4. To develop a “blueprint of success” for all children.
5. To emphasize and incorporate basic skills through problem-solving and decision making.
6. To encourage more parent involvement in all phases of their child’s development.
7. To assess or audit the curriculum more frequently.

A Total Quality School

With the implementation of the Academic Strategic Plan, the District is involved in a long-term, systematic transformation to raise achievement levels and to continuously improve. The Ohio School Boards Association selected (for the third straight year) the District to showcase its student achievements at their annual state conference attended by over 9,000 people. During the conference, all members of the Board of Education received the “Award of Achievement” and “Board Leadership Academy Award” from the Ohio School Boards Association and one member received the “Master Board Member Achievement Award”. These awards are based on the number of points earned through attendance at workshops and/or service in various capacities as a Board member.

Professional Development

Staff development continues to be a critical component in the teaching and learning process. A committee of certified and classified staff developed a survey, which determined the direction of the 2001-02 program. The focus will be on differentiated instruction in order to meet the needs of all ability levels of children, homework, curriculum mapping, and assessment, while integrating computer technology into all areas of the curriculum.

Guidance Program

The District’s extensive guidance program encompasses early childhood through grade 12. In addition to specific guidance programming, the overriding goal is to make sure that no student ever “falls through the cracks”. At the elementary school, counselors provide special programs that concentrate on social skills, family change, self-esteem and decision-making. Additional programs are provided for dealing with conflict resolution, stress reduction, and career exploration. Support groups for parents meet weekly to provide additional assistance. At the middle school, small personal growth groups have been successful. At the high school level, group counseling focuses on test-taking skills, mentoring programs, career exploration, and academic long-term planning. Although counselors often meet with students in small groups, they also meet with students individually at all grade levels, from early childhood through grade 12.

Curriculum and Instruction

The heart of an educational program is the curriculum or content that is provided to students on a daily basis. Teachers work with the Director of Curriculum and Technology, principals, and outside consultants to develop curriculum and programs that challenge students to reach higher standards. During the curriculum assessment phase, an in-depth study of recent trends in the subject area, a study of District test results, and other data that provide evidence of continual improvement and effectiveness of the curriculum were all incorporated in revisions made to the curriculum.

Pre-Kindergarten Program

The philosophy and curriculum for this program is based on the cognitive, emotional, physical, and social needs of young children. Furthermore, the course of study is carefully articulated with the Kindergarten and First grade curricula. In addition, the teachers focus on assessment strategies and parent involvement.

Grades One through Four

The “looping” program has now completed a full cycle in grades 1 and 2 and grades 3 and 4. The looping program provides that the teachers remain with students for two consecutive years. A gifted identification process was also established during the year.

Technology

- Exit profiles are required of all students in grades 5 and 8. Students in grade five complete their own web page. Students in grade 8 complete a personal and academic multimedia project.
- A network manager continues to ensure that all computer hardware, software, and technology systems are working as efficiently and effectively as possible.
- Computers are available in the Elementary School computer labs and classroom areas. In the Middle School and High School, students have access to computers throughout the day in computer labs and in the library media center. The computer labs are open both before school and after school for the students’ use.
- The school libraries provide additional electronic resources for the students, including a wide variety of research information available on compact disc, and access to the Internet.
- Interactive computer assessment software provides mathematics and reading assistance to students in grades 1-8.
- A staff development program encouraged staff to further integrate computer technology into their curriculum. Staff members created multimedia programs, initiated e-mail projects with corporations, began collaborative projects between Elementary School and High School classes, and did extensive lesson planning research on the Internet. They also participated in SchoolNet Tools training workshops: Information, Productivity, Multimedia, and Networking.
- A mobile laptop center made available laptops for high school students to use in the classroom, using either the District’s network or the Internet to complete projects. Students in Advanced Placement classes were provided with laptop computers to use within the District as well as at home.
- A High School Digital Photography Lab was added to complement the still photography class; the High School Art Department incorporated computers to assist with the enhancement of digital art; and the use of computerized sewing machines was added in the Family and Consumer Science class.

Student Assessment

Student assessment is an ongoing process that occurs continually in the classroom. Standardized testing is just one form of assessment used by our staff to help children meet their fullest potential. The most familiar example of standardized tests are the State-mandated Ohio Proficiency Tests.

Ohio is one of twenty-two states in the nation to use such tests to measure academic achievement (reading, writing, math, citizenship, and science). Children are given these statewide tests in grades 4, 6, 9, and 12. Shown below are the results from Proficiency Tests given in the 2000-2001 school year:

Percent of Students Passing 2000-2001
State Proficiency Exam

<u>Grade</u>	<u>Writing</u>	<u>Reading</u>	<u>Math</u>	<u>Citizenship</u>	<u>Science</u>
4	91	83	87	93	78
6	92	81	83	96	81
9 *	100	100	96	99	99
12	98	85	79	94	87

*Students who have failed to pass the ninth grade Proficiency Test may not graduate, in accordance with Ohio statute.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control. The District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Governmental, Expendable Trust, and Agency funds are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary and Nonexpendable Trust funds are presented on the accrual basis, whereby revenues are recognized when earned and expenses when incurred.

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

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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

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

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

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

General Governmental Functions. The Governmental funds encompass the General, Special Revenue, Debt Service, and Capital Projects funds of the District.

Revenues and other financing sources for the Governmental funds totaled \$14,480,743 in fiscal year 2001. General property taxes produced 82.34 percent of total governmental fund revenues and other financing sources. State and Federal support accounted for 8.06 percent of the revenues and other financing sources. The amount of revenue from various sources and a comparison with the previous year is shown in the following tabulation:

	<u>2000</u> <u>Amount</u>	<u>2001</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
<i>Revenues and other financing sources</i>					
Taxes	\$11,588,156	\$11,922,728	82.34%	\$334,572	2.89%
Intergovernmental	1,135,759	1,166,973	8.06	31,214	2.75
Interest	389,550	825,453	5.70	435,903	111.90
Tuition	48,789	34,855	0.24	(13,934)	(28.56)
Other Local Revenues	601,009	129,553	0.89	(471,456)	(78.44)
Revenue from					
Intermediate Sources	86,196	105,780	0.73	19,584	22.72
Other Financing Sources	<u>304,119</u>	<u>295,401</u>	<u>2.04</u>	<u>(8,718)</u>	<u>(2.87)</u>
Total	<u>\$14,153,578</u>	<u>\$14,480,743</u>	<u>100.00%</u>	<u>\$327,165</u>	2.31%

The dramatic increase in interest revenue is due to the number of large investments outstanding at the end of the prior year which matured during fiscal 2001.

Tuition and fee revenue declined primarily due to a reduction in the number of out-of-district students enrolled during the 2000-2001 school year.

The largest component of the significant reduction in other local revenue is due to the terms of a lease agreement for outdoor advertising between the District and Eller media (see Note 17 to the financial statements). After receiving the initial payment of \$500,000 in fiscal year 2000, the District will not receive another payment until fiscal 2005.

Other revenue increased significantly due to an increase in the amount of revenue received from the three villages within the Districts boundaries, as a result of agreements in which the District shares other types of revenue with the villages, in lieu of tax revenue lost to the District because of abatements granted by the villages.

Governmental fund expenditures and other financing uses for fiscal year 2001 totaled \$13,390,573 and are summarized by major function as follows:

	<u>2000</u> <u>Amount</u>	<u>2001</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
<u>Expenditures and</u>					
<u>other financing uses</u>					
Current:					
Instruction:					
Regular	\$ 4,654,780	\$ 4,916,555	36.72%	\$ 261,775	5.62%
Special	416,633	479,447	3.58	62,814	15.08
Other	163,511	195,940	1.47	32,429	19.83
Support Services:					
Pupil	1,160,456	1,340,407	10.01	179,951	15.51
Instructional Staff	614,719	689,281	5.15	74,562	12.13
Board of Education	49,105	80,136	0.60	31,031	63.19
Administration	969,105	1,069,044	7.98	99,939	10.31
Fiscal	440,326	514,475	3.84	74,149	16.84
Business	87,403	49,187	0.36	(38,216)	(43.72)
Operation and					
Maintenance	1,358,667	1,592,944	11.90	234,277	17.24
Pupil Transportation	575,051	686,819	5.13	111,768	19.44
Central	41,193	54,653	0.41	13,460	32.68
Community Services	74,653	110,421	0.82	35,768	47.91
Extracurricular Activities	522,543	548,728	4.10	26,185	5.01
Facilities Services	1,400,535	132,010	0.99	(1,268,525)	(90.57)
Capital Outlay	0	27,395	0.20	27,395	NA
Debt Service:					
Principal Retirement	361,380	381,347	2.85	19,967	5.53
Interest and Fiscal Charges	284,887	254,998	1.90	(29,889)	(10.49)
Other Financing Uses	<u>353,786</u>	<u>266,786</u>	<u>1.99</u>	<u>(87,000)</u>	<u>(24.59)</u>
<i>Total</i>	<u>\$13,528,733</u>	<u>\$13,390,573</u>	<u>100.00%</u>	<u>\$ (138,160)</u>	<u>(1.02)%</u>

The increase in special instruction is primarily due to the addition of two teachers for the new 'Alternative Education' program.

The District pays for its students who attend other districts from the other instruction function. This cost is paid (in part) directly to other districts and (in part) from amounts withheld from the District's state aid. An increase in the number of students who attended out-of-district schools and the final payment for prior years' amounts withheld from state aid monies (due to the time lag involved) accounted for the increase in this line item.

Pupil support services expenditures increased as a result of replacing the middle school computer lab, as well as purchasing laptop computers for high school students. A total of \$266,718 was spent from this function on computer hardware.

The instructional staff support function increased for two main reasons: 1) Personnel changes resulted in additional salary costs of \$23,000 and additional fringe benefit costs of \$20,000; and 2) use of outside consultants increased by \$27,500.

The Board of Education authorized during fiscal year 2001 an increase (to the maximum allowed by law) in the amount of reimbursement for travel expenses and other meeting expenses incurred by the Board. Fees for competitive bidding and architectural and engineering fees for the new elementary playground were also charged to this function. Combined, these factors resulted in the significant increase in Board of Education expenditures.

The increase in the Administration function expenditures are essentially personnel related. Salaries increased by \$39,000 from fiscal 2000 and fringe benefits increased by \$48,000.

Payables at June 30, 2001 were over \$30,000 more than the prior year for the fiscal services function. Additionally, settlement fees for the first-half tangible property tax settlement were significantly higher than in fiscal 2000.

The decrease in business function expenditures are a matter of reclassification. In prior years, capital lease payments were charged to various functions. In fiscal 2001, all capital lease payments were charged to the business function on a cash basis. Subsequently, on a Gaap basis, lease payments are reclassified as principal retirement, and the business function expenditures are reduced.

Expenditures in the operation and maintenance function increased due to increased expenditures in both the General and Permanent Improvements funds. In the General fund, a new maintenance vehicle was purchased for \$20,000. New cellular telephones and other communication expenditures cost an additional \$55,000. Wages and benefits for personnel paid from this function increased by \$61,000. \$18,000 was spent for new solar shades, blinds, and new hand dryers for bathrooms. \$6,000 was spent for a new trailer and snow removal equipment. In the Permanent Improvements fund, replacement HVAC controllers cost \$24,000. A new fence, concrete work, and bleacher repairs at the high school stadium amounted to over \$24,000. \$23,000 was spent on roofing maintenance services not needed in fiscal 2000. Replacement carpeting in various buildings amounted to an additional \$12,000.

The increase in the pupil transportation function expenditures were due to the purchase of two new school buses and the addition of a new position for 'afternoon Transportation Coordinator'.

Central function expenditures increased mainly due to increased printing costs, resulting from more issues of the District's newsletter, "About our Schools". Fees paid to the District's data acquisition site also increased in fiscal 2001.

The community services function expenditures increase can be attributed to increased wage and benefit costs, plus \$12,000 spent for new Fitness Center equipment.

The large decrease in facilities services function expenditures is due to the completion of renovation projects in the prior year (some projects were begun in fiscal 1999) which, in total, amounted to over \$1,413,000. The most notable of these projects, and one of which the District is very proud, is the new Athletic Track, which cost \$699,948.

The capital outlay expenditures of \$27,395 reported above is due only to an accounting mechanism used to account for a new capital lease transaction during fiscal 2001. See Note 9 to the financial statements for additional details of the District's capital lease obligation.

Debt service expenditures decreased in total, compared to fiscal 2000. As the District continues to repay its outstanding general obligation and energy conservation debt, interest and fiscal charges paid each year will continue to decrease.

The largest components in the prior fiscal year of the other financing uses function were an operating transfer to the Food Service fund, and the amount required to be 'set-aside', by law, for budget stabilization. In fiscal 2001, no operating transfer to the Food Service fund was made, and in April, 2001, a change in Ohio law made the set-aside of District money for budget stabilization no longer necessary (see Note 2.M to the financial statements).

General Fund Balance. The General fund concluded fiscal year 2001 with a fund balance of \$7,596,165, an increase of \$929,371 from the June 30, 2000, fund balance of \$6,666,794. Management estimates that current tax rates will be sufficient for the next three to four years.

Financial Highlights - Proprietary Funds. Food service, uniform school supplies, and adult education are classified as Enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of net income or loss resulting from operations that are significantly financed from user fees. In total, the Enterprise funds reported a net loss of \$(44,614) the year ended June 30, 2001, compared to net income of \$11,495 for the year ended June 30, 2000. It should be noted that the net loss includes "non-cash" depreciation expense of \$1,658. The operating loss (before intergovernmental revenue and an operating transfers) totaled (\$77,765); thus, the reliance on outside support (federal funding of the National School Lunch and Commodities Program) is apparent.

The principal Internal Service fund carried on the financial records relates to self-insurance. This fund accounts for the revenues and expenses related to the provision of dental, vision, and prescription drug benefits to the District employees. The Employee Benefits Self-Insurance fund had a net loss during the year of \$(18,318), and retained earnings of \$51,099 at June 30, 2001, compared with net income of \$17,161 during fiscal 2000, and retained earnings of \$69,417 at June 30, 2000. Changes in the fund's claims liability over the past 6 fiscal years are reported in Note 11 to the general purpose financial statements.

Financial Highlights - Fiduciary Funds. Fiduciary funds are used to account for assets held by the District in a trustee capacity, or as an agent for individuals, other District organizations, other governments, and/or other funds. The Fiduciary funds of the District include the Expendable Trust fund, the Nonexpendable Trust fund, and Agency funds.

Expendable Trust fund assets have been donated to the District, and may be spent in their entirety for student scholarships and awards. The fund balance of the Expendable Trust fund at June 30, 2001 was \$2,342.

Nonexpendable Trust fund assets have been endowed in perpetuity to the District; i.e., the principal amount of the endowment may never be expended. Generally, the terms of the endowment specify that interest earnings on the invested principal may be used to provide student scholarships. Interest earnings in fiscal 2001 totaled \$6,513. As of June 30, 2001, the endowed principal amount was \$117,982, while \$8,622 was available for student scholarships.

The District functions as fiscal agent for students (in the case of activity group accounts) and employees (monies collected for flowers and refreshments). Amounts reported as Agency fund assets are due to these student and employee groups; therefore, a liability is reported for a like amount.

General Fixed Assets. The general fixed assets of the District are used to carry on the main education and support function of the District and are not financial resources available for expenditure. The total general fixed assets at June 30, 2001, were \$18,312,729. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

Debt Administration. At June 30, 2001, general obligation bonds outstanding totaled \$3,585,000. During the fiscal year, \$205,000 of general obligation bonds were retired. The District maintained its "A-1" rating from Moody's Investors Service, and its "AAA" rating from Standard and Poor's on general obligation bond issues. The energy conservation bonds outstanding at June 30, 2001 were \$783,785. During the fiscal year, \$134,495 of these bonds were retired. The legal debt restriction in the State of Ohio is a limit of 9 percent of assessed valuation for voted debt, .10 percent for unvoted debt, and .90 percent for energy conservation debt. As of June 30, 2001, the voted debt margin was \$45,524,831, the unvoted debt margin was \$540,281, and the energy conservation debt margin was \$4,078,741. All existing bond obligations are general obligation debt backed by the full faith and credit of the District and will be retired fully by fiscal year 2013.

Cash Management. The Board has an aggressive cash management program, which consists of expediting the receipt of revenues and prudently depositing cash, which is insured by the Federal Deposit Insurance Corporation or collateralized by a securities pool. The District invests available cash in instruments issued by the United States Government, the State Treasurer's Investment Pool (STAR Ohio), and other investments authorized by Chapter 135 of the Ohio Revised Code. Except for nonparticipating investment contracts such as certificates of deposit, investments at June 30, 2001 have been reported at fair value, which is based upon quoted market prices. The total amount of interest earned was \$835,567 for the year ended June 30, 2001; \$785,466 being credited directly to the General fund. This cash management program is beneficial because of access to daily balances, which enables the Board to maintain minimum balance accounts and invest available cash to the maximum extent.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management. The District operates and manages the vision benefits, dental benefits, and prescription drug benefits for employees on a self-insured basis. A third party administrator processes and pays the claims. The total benefits liability is limited by reinsurance that caps the individual liability at \$35,000 per employee, and an aggregate liability, for all covered employees, of \$967,225 for fiscal year 2001. The advantages of the self-insurance arrangement include the retention of reserves by the District, as well as savings on administrative costs. The control of the plan rests with the District.

The District uses the State Worker's Compensation plan and pays the premium based on a rate per \$100 of salaries. The District has joined the Ohio School Boards Association group rating plan for workers' compensation insurance, as a means of minimizing premiums. The District contracts with commercial carriers for general liability, property and casualty, vehicle, employee group health and life, and various other insurances. See Note 11 to the general purpose financial statements for additional risk management information.

Pension Plan. All District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the District to pay the employer share as determined by each retirement system. The District's 2001 contributions were \$203,053 paid as an employee portion and \$315,860 paid as the employer portion (\$518,913 total) to SERS, and \$519,620 paid as an employee portion and \$782,224 as the employer portion (\$1,301,844 total) to STRS. See Notes 13 and 14 to the general purpose financial statements for complete details.

USE OF THIS REPORT

This report is published to provide to the Board of Education, as well as our citizens and other interested persons, detailed information concerning the financial condition of the District, with particular emphasis placed on the utilization of resources during the past fiscal year. It is also intended that this report will serve as a guide in formulating policies and in conducting the District's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

In today's bond market environment, it is increasingly important that public agencies prepare soundly conceived annual financial reports which are independently audited by a qualified firm or agency. It has become almost required practice that such reports be prepared in accordance with GAAP, and the major bond rating agencies review the data presented in such reports before determining a public agency's bond rating.

INDEPENDENT AUDIT

Provisions of State statute require the District's financial statements to be subjected to an annual examination by an independent auditor. Those provisions have been satisfied and the opinion of the District's independent auditors is included herein.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report for the 1979 fiscal year.

AWARDS

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, 2000. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP 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 District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials (ASBO) for the District's comprehensive annual financial report for the fiscal year ended June 30, 2000. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

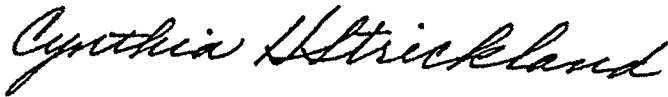
ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

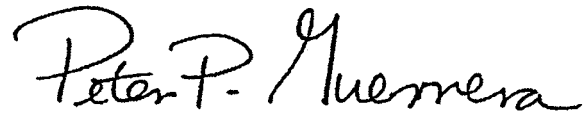
Special appreciation is expressed to Mrs. Gina Love, of Trimble, Julian & Grube, Inc., who compiled this report; to Mrs. Amy Hall, CPA, of Trimble, Julian & Grube, who audited this report; to Mr. Stephen Else, who designed the report cover, and to Mr. Joe Paisleys, who took the pictures for the pages dividing the report.

Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully,



Cynthia H. Strickland, RSBFO
Treasurer



Peter P. Guerrero
Superintendent

**CUYAHOGA HEIGHTS LOCAL
SCHOOL DISTRICT**

**List of Principal Officials
June 30, 2001**

Board of Education

Mr. Wayne Kriynovich President
Dr. Stephen Kenzig Vice-President
Mr. Reno Contipelli Member
Mr. Ronald Krzynowek Member
Mr. Kenneth Perk Member

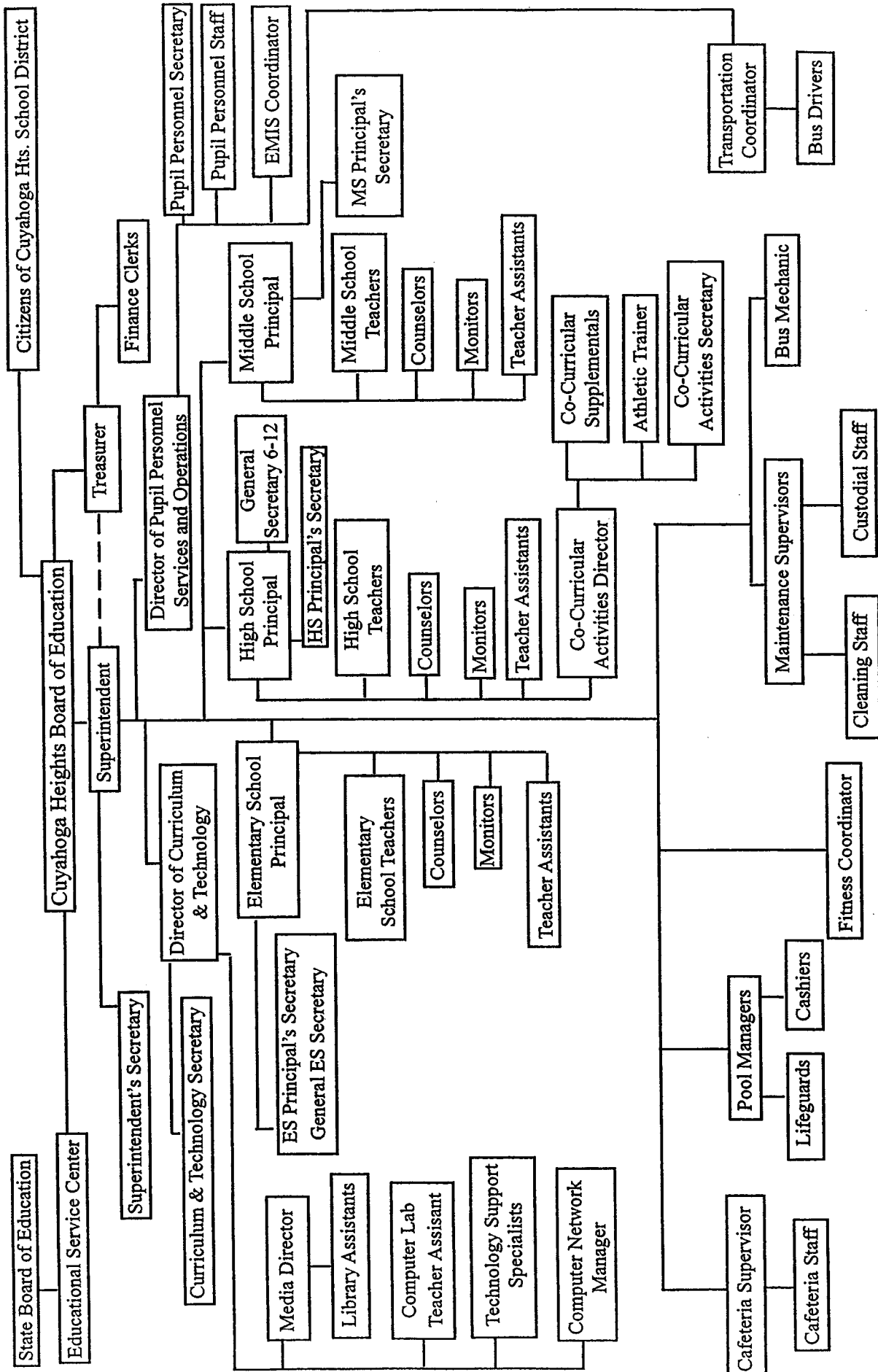
Treasurer

Ms. C. H. Strickland, RSBFO

Administration

Mr. Peter P. Guerrera Superintendent
Mr. Allen Pavlish Director of Pupil Personnel and Operations
Mr. James Morrow Director of Curriculum and Technology

CUYAHOGA HEIGHTS SCHOOLS ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cuyahoga Heights, Ohio
Local School District

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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.



Thomas A. Drew
President

Jeffrey L. Esser
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to
CUYAHOGA HEIGHTS, OHIO LOCAL SCHOOL DISTRICT
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2000

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

Linda White
President

Ann T. Hagan
Executive Director

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 WORTHINGTON WOODS BOULEVARD
SUITE B
WORTHINGTON, OHIO 43085

TELEPHONE 614.846.1899
FACSIMILE 614.846.2799

Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of the Cuyahoga Heights Local School District, Cuyahoga County, (the "District"), as of and for the fiscal year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cuyahoga Heights Local School District, Cuyahoga County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2001, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.

November 2, 2001

GENERAL PURPOSE FINANCIAL
STATEMENTS

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2001

	Governmental Fund Types				Proprietary Fund Types		Fiduciary	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General	Long-Term	
								Fixed Assets	Obligations	
ASSETS AND OTHER DEBITS										
ASSETS:										
Equity in pooled cash and cash equivalents	\$8,257,230	\$102,355	\$465,867	\$579,591	\$57,951	\$72,765	\$42,508			\$9,578,267
Equity in pooled cash and cash equivalents - nonexpendable trust fund							126,053			126,053
Cash with fiscal agent	13,655					69,823				83,478
Investments				395,568						395,568
Receivables (net of allowances of uncollectibles):										
Property taxes - current & delinquent	14,592,700		617,912							15,210,612
Accounts		912					1,574			2,486
Accrued interest	146,754			2,183						148,937
Interfund loan receivable	15,000									15,000
Due from other funds	300,000									300,000
Prepayments	39,246									39,246
Materials and supplies inventory	55,345				6,950					62,295
Restricted assets:										
Equity in pooled cash and cash equivalents	55,144									55,144
Property, plant and equipment (net of accumulated depreciation where applicable)					13,361			\$18,312,729		18,326,090
OTHER DEBITS:										
Amount available in Debt Service Fund									\$484,575	484,575
Amount to be provided for retirement of General Long-Term Obligations									5,073,245	5,073,245
Total assets and other debits	\$23,475,074	\$103,267	\$1,083,779	\$977,342	\$78,262	\$142,588	\$170,135	\$18,312,729	\$5,557,820	\$49,900,996

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2001

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
LIABILITIES, EQUITY AND OTHER CREDITS										
LIABILITIES:										
Accounts payable	\$165,876	\$4,634		\$136,804	\$498		\$1,223			\$309,035
Accrued wages and benefits	1,200,137	935			15,139					1,216,211
Compensated absences payable.	55,056				15,260				\$1,146,371	1,216,687
Contracts payable	13,655									13,655
Pension obligation payable	141,428	115			1,195					142,738
Interfund loans payable.					15,000					15,000
Deferred revenue	14,272,859		\$599,204	2,183	2,954	\$389	293			14,877,882
Due to other governments	29,898						5,992			35,890
Due to students							33,681			33,681
Due to other funds		300,000								300,000
Claims payable						91,357				91,357
General obligation bonds payable									3,585,000	3,585,000
Energy conservation bonds payable									783,785	783,785
Obligation under capital lease									42,664	42,664
Total liabilities	15,878,909	305,684	599,204	138,987	50,046	91,746	41,189		5,557,820	22,663,585
EQUITY AND OTHER CREDITS:										
Investment in general fixed assets								\$18,312,729		18,312,729
Retained earnings: unreserved					28,216	50,842				79,058
Fund balances:										
Reserved for encumbrances	428,714	33,529		272,568			500			735,311
Reserved for supplies inventory.	55,345									55,345
Reserved for prepayments.	39,246									39,246
Reserved for debt service			465,867							465,867
Reserved for tax revenue unavailable for appropriation	415,742		18,708							434,450
Reserved for principal endowment							117,982			117,982
Reserved for budget stabilization	55,144									55,144
Reserved for scholarships							8,622			8,622
Unreserved (deficit).	6,601,974	(235,946)		565,787			1,842			6,933,657
Total equity (deficit) and other credits	7,596,165	(202,417)	484,575	838,355	28,216	50,842	128,946	18,312,729		27,237,411
Total liabilities, equity and other credits.	\$23,475,074	\$103,267	\$1,083,779	\$977,342	\$78,262	\$142,588	\$170,135	\$18,312,729	\$5,557,820	\$49,900,996

F4

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES/(DEFICIT)
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2001

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
From local sources:						
Taxes	\$10,759,249		\$469,109	\$694,370		\$11,922,728
Tuition	34,855					34,855
Earnings on investments	785,466	\$665		39,322	\$152	825,605
Other local revenues	32,208	97,345			1,120	130,673
Revenue from intermediate sources	105,780					105,780
Intergovernmental - State	989,221	68,903	25,328	25,500		1,108,952
Intergovernmental - Federal		58,021				58,021
Total revenues	12,706,779	224,934	494,437	759,192	1,272	14,186,614
Expenditures:						
Current:						
Instruction:						
Regular	4,893,119	14,006		9,430		4,916,555
Special	409,784	69,663				479,447
Other	195,940					195,940
Support services:						
Pupil	861,292	58,643		420,472		1,340,407
Instructional staff	675,335	12,550		1,396		689,281
Board of Education	62,251			17,885		80,136
Administration	1,069,044					1,069,044
Fiscal	514,475					514,475
Business	49,187					49,187
Operations and maintenance	1,405,558	9,167		178,219		1,592,944
Pupil transportation	686,819					686,819
Central	31,712	22,941				54,653
Community services	110,421				1,196	111,617
Extracurricular activities	430,768	117,960				548,728
Facilities services	75,326			56,684		132,010
Capital outlay	27,395					27,395
Debt service:						
Principal retirement	41,852		339,495			381,347
Interest and fiscal charges	3,182		251,816			254,998
Total expenditures	11,543,460	304,930	591,311	684,086	1,196	13,124,983
Excess (deficiency) of revenues over (under) expenditures	1,163,319	(79,996)	(96,874)	75,106	76	1,061,631
Other financing sources (uses):						
Operating transfers in		85,000	181,786			266,786
Operating transfers out	(266,786)					(266,786)
Proceeds from sale of assets	1,220					1,220
Proceeds of capital lease transaction	27,395					27,395
Total other financing sources (uses)	(238,171)	85,000	181,786			28,615
Excess of revenues and other financing sources over expenditures and other financing uses	925,148	5,004	84,912	75,106	76	1,090,246
Fund balances (Deficit), July 1	6,666,794	(207,421)	399,663	763,249	2,266	7,624,551
Increase in reserve for inventory	4,223					4,223
Fund balances (Deficit), June 30	\$7,596,165	(\$202,417)	\$484,575	\$838,355	\$2,342	\$8,719,020

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	General Fund			Special Revenue			Debt Service			Capital Projects			Total (Memorandum only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
Revenues:															
From local sources:															
Taxes.....	\$10,549,725	\$10,549,725	\$0				\$485,007	\$459,679	(\$25,328)	\$979,932	\$694,370	(\$285,562)	\$12,014,664	\$11,703,774	(\$310,890)
Tuition.....	109	70	(39)										109	70	(39)
Earnings on investments.....	907,092	744,670	(162,422)	\$759	\$665	(\$94)				66,064	46,812	(19,252)	973,915	792,147	(181,768)
Other local revenues.....	43,120	35,394	(7,726)	313,196	96,432	(216,764)							356,316	131,826	(224,490)
Revenue from intermediate sources.....	14,672	12,057	(2,615)										14,672	12,057	(2,615)
Intergovernmental - State.....	1,247,399	1,024,051	(223,348)	76,667	68,903	(7,764)	485,007	25,328	(459,679)	35,987	25,500	(10,487)	1,845,060	1,143,782	(701,278)
Intergovernmental - Federal.....				66,240	58,021	(8,219)							66,240	58,021	(8,219)
Total revenues.....	12,762,117	12,365,967	(396,150)	456,862	224,021	(232,841)	970,014	485,007	(485,007)	1,081,983	766,682	(315,301)	15,270,976	13,841,677	(1,429,299)
Expenditures:															
Current:															
Instruction:															
Regular.....	5,072,869	4,909,136	163,733	15,968	14,059	1,909				9,488	9,430	58	5,098,325	4,932,625	165,700
Special.....	417,755	410,236	7,519	82,677	81,887	790							500,432	492,123	8,309
Other.....	271,582	262,406	9,176										271,582	262,406	9,176
Support services:															
Pupil.....	888,875	853,328	35,547	22,942	59,688	(36,746)				602,696	508,570	94,126	1,514,513	1,421,586	92,927
Instructional staff.....	793,299	679,554	113,745	26,547	15,834	10,713				25,423	24,943	480	845,269	720,331	124,938
Board of education.....	328,258	244,205	84,053							18,754	17,885	869	347,012	262,090	84,922
Administration.....	1,103,424	1,051,822	51,602										1,103,424	1,051,822	51,602
Fiscal.....	545,209	462,165	83,044										545,209	462,165	83,044
Business.....	166,131	129,993	36,138							5,000	4,925	75	171,131	134,918	36,213
Operations and maintenance.....	1,595,792	1,455,023	140,769	887	9,167	(8,280)				434,755	353,150	81,605	2,031,434	1,817,340	214,094
Pupil transportation.....	755,702	712,464	43,238										755,702	712,464	43,238
Central.....	48,789	31,865	16,924	1,144	21,962	(20,818)							49,933	53,827	(3,894)
Community services.....	117,676	105,731	11,945	133	133	0							117,809	105,864	11,945
Extracurricular activities.....	495,947	444,405	51,542	316,574	136,812	179,762							812,521	581,217	231,304
Facilities services.....	75,826	75,326	500							205,385	101,077	104,308	281,211	176,403	104,808
Debt service:															
Principal retirement.....							339,495	339,495	0				339,495	339,495	0
Interest and fiscal charges.....							263,505	251,816	11,689				263,505	251,816	11,689
Total expenditures.....	12,677,134	11,827,659	849,475	466,872	339,542	127,330	603,000	591,311	11,689	1,301,501	1,019,980	281,521	15,048,507	13,778,492	1,270,015
Excess (deficiency) of revenues over (under) expenditures.....	84,983	538,308	453,325	(10,010)	(115,521)	(105,511)	367,014	(106,304)	(473,318)	(219,518)	(253,298)	(33,780)	222,469	63,185	(159,284)
Other financing sources (uses):															
Refund of prior year's expenditures.....	100,726	100,726	0										100,726	100,726	0
Refund of prior year's (receipts).....	(4,050)	(4,050)	0										(4,050)	(4,050)	0
Operating transfers in.....	2,131	2,131	0	97,041	85,000	(12,041)	181,786	181,786	0				280,958	268,917	(12,041)
Operating transfers (out).....	(341,980)	(266,786)	75,194										(341,980)	(266,786)	75,194
Advances (out).....	(15,000)	(15,000)	0										(15,000)	(15,000)	0
Proceeds of sale of fixed assets.....	1,220	1,220	0										1,220	1,220	0
Total other financing sources (uses).....	(256,953)	(181,759)	75,194	97,041	85,000	(12,041)	181,786	181,786	0				21,874	85,027	63,153
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses).....	(171,970)	356,549	528,519	87,031	(30,521)	(117,552)	548,800	75,482	(473,318)	(219,518)	(253,298)	(33,780)	244,343	148,212	(96,131)
Fund balance, July 1.....	6,986,920	6,986,920	0	53,245	53,245	0	390,385	390,385	0	508,216	508,216	0	7,938,766	7,938,766	0
Prior year encumbrances appropriated.....	398,150	398,150	0	41,501	41,501	0				315,301	315,301	0	754,952	754,952	0
Fund balance, June 30.....	\$7,213,100	\$7,741,619	\$528,519	\$181,777	\$64,225	(\$117,552)	\$939,185	\$465,867	(\$473,318)	\$603,999	\$570,219	(\$33,780)	\$8,938,061	\$8,841,930	(\$96,131)

FG

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Operating revenues:				
Sales/charges for services	\$176,032	\$345,298		\$521,330
Investment earnings			\$6,513	6,513
Other operating revenues			28,920	28,920
Total operating revenues	176,032	345,298	35,433	556,763
Operating expenses:				
Personal services	147,936			147,936
Contract services	886	5,618		6,504
Materials and supplies	103,317	12		103,329
Depreciation	1,658			1,658
Other		13,059	5,483	18,542
Claims expense		345,885		345,885
Total operating expenses	253,797	364,574	5,483	623,854
Operating income (loss)	(77,765)	(19,276)	29,950	(67,091)
Nonoperating revenues (expenses):				
Operating grants	21,815			21,815
Federal commodities	8,337			8,337
Loss on disposal of assets	(450)			(450)
Interest revenue	3,449			3,449
Total nonoperating revenues	33,151			33,151
Net income (loss)	(44,614)	(19,276)	29,950	(33,940)
Retained earnings/fund balance, July 1	72,830	70,118	96,654	239,602
Retained earnings/fund balance, June 30	<u>\$28,216</u>	<u>\$50,842</u>	<u>\$126,604</u>	<u>\$205,662</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Cash flows from operating activities:				
Cash received from sales/charges for services	\$176,107	\$345,249		\$521,356
Cash received from other operations	188		\$27,642	27,830
Cash payments for personal service	(138,436)			(138,436)
Cash payments for contract services	(886)	(5,618)		(6,504)
Cash payments supplies and materials	(91,371)	(12)		(91,383)
Cash payments for claims expenses		(347,285)		(347,285)
Cash payments for other expenses		(13,059)	(4,756)	(17,815)
Net cash provided by (used in) operating activities.	<u>(54,398)</u>	<u>(20,725)</u>	<u>22,886</u>	<u>(52,237)</u>
Cash flows from noncapital financing activities:				
Cash received from operating grants	21,815			21,815
Cash received from operating transfers.	15,000			15,000
Net cash provided by noncapital financing activities.	<u>36,815</u>			<u>36,815</u>
Cash flows from investing activities:				
Interest received	3,449		6,513	9,962
Net cash provided by investing activities	<u>3,449</u>		<u>6,513</u>	<u>9,962</u>
Net increase (decrease) in cash and cash equivalents.	(14,134)	(20,725)	29,399	(5,460)
Cash and cash equivalents at beginning of year	72,085	93,490	96,654	262,229
Cash and cash equivalents at end of year	<u>\$57,951</u>	<u>\$72,765</u>	<u>\$126,053</u>	<u>\$256,769</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(\$77,765)	(\$19,276)	\$29,950	(\$67,091)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation.	1,658			1,658
Federal donated commodities.	8,337			8,337
Interest reported as operating income.			(6,513)	(6,513)
Changes in assets and liabilities:				
Decrease in supplies inventory	4,830			4,830
Decrease (increase) in accounts receivable	263	210	(1,574)	(1,101)
Increase in accrued wages & benefits.	7,219			7,219
Increase in accounts payable	498		1,023	1,521
Increase in compensated absences payable	1,613			1,613
Increase in pension obligation payable	668			668
Decrease in claims payable		(1,400)		(1,400)
Decrease in deferred revenue	(1,719)	(259)		(1,978)
Net cash provided by (used in) operating activities	<u>(\$54,398)</u>	<u>(\$20,725)</u>	<u>\$22,886</u>	<u>(\$52,237)</u>
Noncash investing, capital and financing activities:				
Federal donated commodities	<u>\$8,337</u>			<u>\$8,337</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

This Page is Intentionally Left Blank.

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

This Page is Intentionally Left Blank.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Cuyahoga Heights Local School District (the "District") is located in Cuyahoga County and is located 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 539th largest by enrollment among the 682 public and community school districts in the State. It currently operates 1 elementary school, 1 middle school and 1 comprehensive high school. The District employs 60 non-certified, 71 certified (including administrative) full-time and part-time employees to provide services to approximately 839 students in pre-school (age 4) through grade 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cuyahoga Heights Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. The Reporting Entity

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

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes for the organization. The financial statements of the reporting entity include only those of the District (the primary government). The District has no component units. The following organizations are described due to their relationship to the District.

JOINTLY GOVERNED ORGANIZATIONS:

Ohio Schools' Council

The Ohio Schools' Council Association (Council) is a jointly governed organization among 83 school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. 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 Albert G. Vasek, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

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.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 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 Joint Vocational School District

The Cuyahoga Valley Joint Vocational School District (the "JVS") 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 JVS 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 JVS 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 Joint Vocational School District, 8001 Brecksville Road, Brecksville, OH 44141.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau among eleven public school districts. The primary function of LNOCA is to provide data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA 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 Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA 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 5700 West Canal Road, Valley View, OH 44125.

B. Fund Accounting

The District uses funds and account groups to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The following are the District's Governmental Fund Types:

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources, except those required to be accounted for in another fund. The General fund balance is available to the District for any purpose, provided it is expended or transferred in accordance with applicable Ohio statute.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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 (other than those financed by Proprietary Funds and Trust Funds).

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 where the determination of net income is necessary or useful to sound financial administration. The following are the District's Proprietary Fund Types:

Enterprise Funds - Enterprise Funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governmental units, on a cost-reimbursement basis.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

FIDUCIARY FUNDS

Trust and Agency Funds - These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Nonexpendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental funds. Nonexpendable Trust funds are accounted for in essentially the same manner as Proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, or have a measurement focus.

ACCOUNT GROUPS

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of general nature, the following account groups are used:

General Fixed Assets Account Group - This group of accounts is established to account for all fixed assets of the District, other than those accounted for in the Proprietary Funds and Nonexpendable Trust Funds.

General Long-Term Obligations Account Group - This group of accounts is established to account for all long-term obligations of the District, except those accounted for in the Proprietary Funds and Nonexpendable Trust Funds.

C. Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental funds and the Expendable Trust fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All Proprietary funds and the Nonexpendable Trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Proprietary Fund Type and Nonexpendable Trust fund operating statements present increases (revenues) and decreases (expenses) in net total assets.

The modified accrual basis of accounting is followed for Governmental, Expendable Trust, and Agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is sixty days after the June 30 year-end. Revenues accrued at the end of the year include interest, tuition, grants and entitlements (to the extent they are intended to finance the current fiscal year), and accounts (student fees and rent). Current property taxes measurable as of June 30, 2001, and which are intended to finance fiscal 2002 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within sixty days) and amounts available as advances on future tax settlements are recognized as revenue at year-end. Taxes available for advance and recognized as revenue, but not received by the District prior to June 30, 2001, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and the resources are available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met and the resources are available.

The District is party to a tax abatement agreement between the Villages of Cuyahoga Heights and Valley View and Birmingham and N.A. Metals. Although the District was owed money by the Villages at the end of the year, it was not measurable or available. Amounts received subsequent to the balance sheet date and beyond the available period were recorded as deferred revenue. As of June 30, 2001, the District has received a total of \$694,370 as a result of this agreement.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Expenditures (decreases in net financial resources) are recognized in the period in which the fund liability is incurred, with the following exceptions: general long-term obligation principal and interest are reported only when due; and the costs of accumulated unpaid vacation and sick leave are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in Governmental funds.

The Proprietary and Nonexpendable Trust funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense, with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenues.

On the accrual basis of accounting, revenue from nonexchange transactions, such as grants, entitlements and donations, is recognized in the fiscal year in which all eligibility requirements have been met. The Proprietary funds receive no revenue from property taxes.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. 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 appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2001 is as follows:

1. 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. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Cuyahoga County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's 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 a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. 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 statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2001.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Although the legal level of budgetary control was established at the fund level of expenditures, the budgetary statements present comparisons at the fund and function level of expenditures as elected by the District Treasurer. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. All funds, other than Agency funds, are legally required to be budgeted and appropriated. Short-term interfund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.
6. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2001 in the following amounts:

	<u>Increase/(Decrease)</u>
General Fund	\$262,495
Special Revenue Funds	57,871
Capital Projects Funds	186,200
Expendable Trust	2,271
Enterprise Funds	(433)
Internal Service Funds	<u>800</u>
 Total	 <u>\$509,204</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract-related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For Governmental Fund Types, encumbrances outstanding at year-end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note 15 provides a reconciliation of the budgetary and GAAP basis of accounting. Encumbrances for Enterprise funds are disclosed in Note 12 to the financial statements.

E. Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds, including Proprietary funds, 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 combined balance sheet.

During fiscal 2001, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), repurchase agreements, certificates of deposit, and federal agency securities. All investments of the District had a maturity date of two years or less from the date of purchase.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit are reported at cost.

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, 2001.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

By policy of the Board of Education, investment earnings are assigned to the General fund, Permanent Improvement fund, Building fund, Food Service fund, Nonexpendable Trust fund, and Expendable Trust fund. The following fund was credited more interest than would have been received based upon its share of the District's investments during fiscal 2001:

	<u>Interest Actually Received</u>	<u>Interest Based upon Share of Investments</u>	<u>Interest Assigned from Other Funds</u>
General Fund	\$785,466	\$681,897	\$103,569

An analysis of the Treasurer's investment account at year-end is provided in Note 4.

F. Materials and Supplies Inventory

Inventories for all Governmental funds are valued at cost (first-in/first-out method). The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at period-end are reported as assets of the respective fund, which are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are a component of reported assets.

Inventories of Proprietary funds are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased.

G. Prepayments

Prepayments for Governmental funds represent cash disbursements, which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefitting from the advance payment. At period-end, because prepayments are not available to finance future Governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. Fixed Assets and Depreciation

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$500 and a useful life of less than five years. 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 capitalized. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District has not included infrastructure in the General Fixed Asset Account Group.

2. Proprietary Funds

Equipment reflected in these funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives.

<u>Asset</u>	<u>Life (years)</u>
Buildings	25-50
Furniture, Fixtures and Minor Equipment	5-20
Vehicles	4-6

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Intergovernmental Revenues

In Governmental funds, intergovernmental revenues such as entitlements and non-reimbursable grants (to the extent such grants and entitlements relate to the current fiscal year) are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for Proprietary fund operations (excluding commodities) are recognized as non-operating revenues in the accounting period in which they are measurable and earned. The District currently participates in various state and federal programs categorized as follows:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Debt Service Fund

State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Teacher Development
Management Information Systems
Education for Economic Security
Title I
Title VI
Drug-Free Schools
SchoolNet Professional Development
Ohio Reads
Telecommunications Act Grant
Class Size Reduction Grant
NDEA Title III

Capital Projects Fund

SchoolNet

Reimbursable Grants

General Fund

School Bus Purchases
Driver Education
Vocational Education Travel/Salary

Proprietary Funds

National School Lunch Program
National School Milk Program
Adult Education

Grants and entitlements amounted to approximately 8% of the District's operating revenue during the 2001 fiscal year.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payment 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 sick leave 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 this future severance eligibility, all employees at least fifty years of age, with at least ten years of service, or twenty years of service at any age were included.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

Accumulated vacation and sick leave of Governmental Fund Type employees meeting the above requirements have been recorded in the appropriate Governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the General Long Term Obligations Account Group. Vacation and sick leave for employees meeting the above requirements who are paid from Proprietary funds is recorded as an expense when earned.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Long-Term Obligations

In general, Governmental fund payables and accrued liabilities are reported as obligations of the funds, regardless of whether they will be liquidated with current resources; however, compensated absences that will be paid from Governmental funds are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds, capital leases, and long-term loans are reported as a liability of the General Long-Term Obligations Account Group until due.

Long-term debt and other obligations financed by Proprietary funds are reported as liabilities in the appropriate Proprietary funds.

L. Fund Equity

Reserved fund balances indicate that portion of fund equity, which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, materials and supplies inventory, prepayments, debt service, budget stabilization, and tax revenue unavailable for appropriation. In addition, although the Nonexpendable Trust fund uses the total economic resources measurement focus, the fund equity is reserved for the amount of the principal endowment, and for available cash from which student scholarship awards will be made. The reserve for property taxes represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute. The unreserved portions of fund equity reflected for the Governmental funds are available for use within the specific purposes of those funds.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Statutory Reserves

The District is required by State law to set aside certain (cash-basis) General fund revenue amounts, as defined by statute, into various reserves. During the fiscal year ended June 30, 2001, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 2000	\$ (509,029)	\$ 0	\$ 257,226
Current year set-aside requirement	338,361	338,361	
Change in statutory requirement			(202,082)
Qualifying disbursements	<u>(557,116)</u>	<u>(1,856,049)</u>	<u>0</u>
Total	<u>(727,784)</u>	<u>(1,517,688)</u>	<u>55,144</u>
Balance carried forward to FY 2002	<u><u>\$ (727,784)</u></u>	<u><u>\$(1,517,688)</u></u>	<u><u>\$ 55,144</u></u>

The District had offsets and qualifying disbursements during the year for textbooks and capital improvements that reduced the set-aside amounts below zero. These extra amounts may be used to reduce the set-aside requirements of future years for the these set-asides.

Effective April 10, 2001, Am, Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. Monies representing BWC 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. All remaining monies previously reported in the budget stabilization reserve are now reported as unreserved fund balance in the General fund since the School Board dissolved the budget stabilization reserve in accordance with ORC Section 5705.13 by June 30, 2001. The District is still required by State law to maintain the textbook reserve and the capital acquisition reserve. The amount now reported as budget stabilization reserve is comprised solely of BWC refunds received by the District prior to April 10, 2001.

A schedule of the restricted assets at June 30, 2001 follows:

Amount restricted for budget stabilization	<u>\$55,144</u>
Total restricted assets	<u>\$55,144</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Interfund Transactions

During the course of normal operations, the District may have numerous transactions between funds. The most significant may include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of Agency funds, which do not report transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans made pursuant to Board of Education Resolution are reflected as "interfund loans receivable or payable." Such interfund loans are repaid in the following fiscal year.
4. Quasi-external transactions are similar to the purchase of goods or services from a vendor; i.e., the fund which provides a service records revenue, and the fund which receives that service records an expenditure/expense.
5. Residual equity transfers are non-recurring or non-routine permanent transfers of equity, generally made when a fund is closed.
6. Long-term interfund loans that will not be repaid within the next year are termed "advances" and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources.

An analysis of the District's interfund transactions for fiscal year 2001, is presented in Note 5.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

O. Statement of Cash Flows

In September 1989, GASB issued Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds in Governmental Entities That Use Proprietary Fund Accounting. The District has presented a statement of cash flows for its Proprietary and Nonexpendable Trust funds. For purposes of the statement of cash flows, the District considers cash equivalents to include all short term investments (maturity of 90 days or less from date of purchase).

P. Financial Reporting for Proprietary and Similar Fund Types

The District's financial statements have been prepared in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. This Statement is effective for financial statements beginning after December 15, 1993. The District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Q. Restricted Assets

Restricted assets in the General fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction and/or for statutorily-specified purposes. A fund balance reserve has also been established. See Note 2. M. for statutory reserves.

R. Estimates

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

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. Memorandum Only - Total Columns

Total columns on the General Purpose Financial Statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances/Retained Earnings

Fund balances/retained earnings at June 30, 2001, included the following individual fund deficits:

	<u>Deficit Balance</u>
<u>Special Revenue Fund</u>	
District Managed Student Activity	\$(259,113)
<u>Internal Service Fund</u>	
Internal Service Rotary	(257)

These deficits, caused by the application of generally accepted accounting principles, will be funded by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The General fund provides transfers for deficit balances; however, transfers are made when cash is needed rather than when accruals occur.

B. Change in Accounting Principle

GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, was implemented during fiscal 2001. In accordance with this statement, certain types of revenue received by the District for which no value is given in return, including derived tax revenues, imposed nonexchange transactions, government-mandated nonexchange transactions, and voluntary nonexchange transactions may have been reported in a manner inconsistent with prior fiscal years; however, the adoption of this statement had no effect on fund balances/retained earnings as previously reported by the District at June 30, 2000.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as 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 may 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;

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

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 agreement by at least 2 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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Cash on Hand: At year-end, the District had \$920 in undeposited cash on hand, which is included on the combined balance sheet of the District as part of "Equity in Pooled Cash and Cash Equivalents", but is not included in the total amount of deposits reported below.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Cash with Fiscal Agent: At year-end, \$83,478 was on deposit with the District’s fiscal agent for insurance claims and natural gas purchases and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the combined balance sheet as “Equity in Pooled Cash and Cash Equivalents”.

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

Deposits: At year-end, the carrying amount of the District’s deposits was \$4,718,615 and the bank balance was \$5,091,440 (both amounts include \$5,000,000 in non-negotiable certificates of deposit). Of the bank balance:

1. \$291,440 was covered by federal depository insurance.
2. \$4,800,000 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District held to a successful claim by the FDIC.

Investments: The District’s investments are required to be categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the District’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the District’s name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category of Risk 2	Category of Risk 3	Fair Value
Repurchase Agreement		\$1,025,000	\$1,025,000
Federal Agency Securities	\$988,919		988,919
Not Subject to Categorization:			
Investment in State			
Treasurer’s Investment Pool			3,505,056
Total Investments	<u>\$988,919</u>	<u>\$1,025,000</u>	<u>\$5,518,975</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9 entitled, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

A reconciliation between the classifications of cash and cash equivalents on the combined balance sheet per GASB Statement No. 9, and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Equity in Pooled Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$ 9,759,464	\$ 395,568
Investments of the Cash Management Pool:		
Repurchase Agreement	(1,025,000)	1,025,000
Federal Agency Securities	(593,351)	593,351
State Treasurer's Investment Pool	(3,505,056)	3,505,056
Cash on Hand	(920)	
Cash with Fiscal Agent	83,478	
GASB Statement No. 3	<u>\$ 4,718,615</u>	<u>\$5,518,975</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. The following is a reconciliation of the District's operating transfers for fiscal year 2001:

	<u>Transfers In</u>	<u>Transfers (Out)</u>
General Fund		\$(266,786)
<u>Special Revenue Funds</u>		
District Managed Student Activity	\$ 60,000	
Management Information Systems	20,000	
Other Grants	5,000	
Total Special Revenue Funds	85,000	
Debt Service Fund	181,786	
Total All Fund Types	<u>\$266,786</u>	<u>\$(266,786)</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. In a prior fiscal year, the General fund transferred \$300,000 to the District Managed Student Activity fund to cover a temporary shortfall as a result of construction on the outdoor track. The District Managed Student Activity fund will repay the General fund \$50,000 per year beginning in fiscal 2004.

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General Fund		\$300,000
<u>Special Revenue Fund</u>		
District Managed Student Activity	\$(300,000)	_____
Total All Fund Types	<u>\$(300,000)</u>	<u>\$300,000</u>

C. Interfund balances at June 30, 2001, consist of the following individual interfund loans receivable and payable:

	<u>Interfund Loans Receivable</u>	<u>Interfund Loans (Payable)</u>
General Fund	\$15,000	
<u>Enterprise Fund</u>		
Food Service	_____	\$ (15,000)
Total All Fund Types	<u>\$15,000</u>	<u>\$ (15,000)</u>

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District.

Real property taxes and public utility taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value, except for the personal property of rural electric companies, which is assessed 50% of market and railroads, which are assessed at 29%.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The first \$10,000 of assessed value is exempt from taxation. The District receives a state subsidy in lieu of tax revenue which would otherwise have been collected.

The assessed values upon which the fiscal year 2001 taxes were collected are as follows:

	<u>2000 Second-Half Collections</u>		<u>2001 First-Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$239,504,790	46.90	\$264,392,730	48.94
Public Utility Personal	45,215,580	8.90	48,671,460	9.00
Tangible Personal Property	<u>225,461,771</u>	<u>44.20</u>	<u>227,216,434</u>	<u>42.06</u>
	<u>\$510,182,141</u>	<u>100.00</u>	<u>\$540,280,624</u>	<u>100.00</u>

Tax rate per \$1,000 of
assessed valuation:

Operations	\$22.90	\$22.90
Debt Service	1.00	.90

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20.

The Cuyahoga County Treasurer collects property tax on behalf of the District. The County Auditor periodically remits to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 6 - PROPERTY TAXES - (Continued)

Taxes available for advance and recognized as revenue, but not received by the District prior to June 30, 2001, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end. Available tax advances at June 30, 2001, totaled \$415,742 in the General fund and \$18,708 in the Debt Service fund.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2001, consisted of taxes, accounts (rent and student fees), and intergovernmental grants and entitlements (to the extent such grants and/or entitlements relate to the current fiscal year). 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 follows:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - Current	\$11,318,501
Taxes - Delinquent	3,274,199
 <u>Debt Service Fund</u>	
Taxes - Current	470,573
Taxes - Delinquent	147,339

NOTE 8 - FIXED ASSETS

A summary of the changes in the General Fixed Asset Account Group during the fiscal year follows:

	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2001</u>
Land/Improvements	\$ 1,935,137			\$ 1,935,137
Buildings	12,803,867	\$185,816	\$ (74,958)	12,914,725
Furniture/Equipment	2,449,363	496,457	(322,124)	2,623,696
Vehicles	794,586	55,885	(39,193)	811,278
Construction in progress	<u>375,965</u>	<u> </u>	<u>(348,072)</u>	<u>27,893</u>
Total	<u>\$18,358,918</u>	<u>\$738,158</u>	<u>\$(784,347)</u>	<u>\$18,312,729</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 8 - FIXED ASSETS - (Continued)

A summary of the Proprietary Fund fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$ 82,374
Less Accumulated Depreciation	<u>(69,013)</u>
Net Fixed Assets	<u>\$ 13,361</u>

The District's construction in progress at June 30, 2001, consisted largely of replacement of the District's doors and windows.

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, and in the current year, the District has entered into capitalized leases for the acquisition of copiers. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by FASB Statement No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the Combined Financial Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the General Fixed Asset Account Group in the amount of \$171,000, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the General Long-Term Obligations Account Group. Principal payments in the 2001 fiscal year totaled \$41,852. This amount is reflected as debt service principal retirement in the General Fund. The new capital lease in fiscal 2001 has been accounted for as a capital outlay expenditure and other financing source.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2001.

General Long-Term Obligations

<u>Year Ending June 30</u>	<u>Copiers</u>
2002	\$27,362
2003	9,891
2004	<u>7,128</u>
Total future minimum lease payments	\$44,381
Less: Amount Representing Interest	<u>(1,717)</u>
Present Value of Future Minimum Lease Payments	<u>\$42,664</u>

The District does not have capitalized lease obligations after fiscal year 2004.

NOTE 10 - LONG-TERM DEBT

All current obligation bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service fund. The source of payment is derived from a current 0.9 mill bonded debt tax levy.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 10 - LONG-TERM DEBT - (Continued)

A. The following is a description of the District's bonds outstanding as of June 30, 2001:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 07/01/00</u>	<u>Retired in Fiscal 2001</u>	<u>Bonds Outstanding 06/30/01</u>
Construction Bond	5.63%	03/01/93	12/01/13	\$3,790,000	\$(205,000)	\$3,585,000
Energy Conservation Bond	5.15%	04/18/96	12/01/05	<u>918,280</u>	<u>(134,495)</u>	<u>783,785</u>
Total				<u>\$4,708,280</u>	<u>\$(339,495)</u>	<u>\$4,368,785</u>

B. The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds:

<u>Year Ending June 30</u>	<u>Principal on General Obligation Improvement Bonds</u>	<u>Interest on General Obligation Improvement Bonds</u>	<u>Principal on Energy Conservation Bonds</u>	<u>Interest on Energy Conservation Bonds</u>	<u>Total</u>
2002	\$ 215,000	\$ 190,248	\$141,421	\$ 40,365	\$ 587,034
2003	225,000	179,795	148,704	33,082	586,581
2004	240,000	168,395	156,362	25,423	590,180
2005	255,000	155,765	164,415	17,371	592,551
2006	265,000	142,112	172,883	8,903	588,898
2007 - 2011	1,600,000	461,843			2,061,843
2012 - 2013	<u>785,000</u>	<u>45,458</u>			<u>830,458</u>
Total	<u>\$3,585,000</u>	<u>\$1,343,616</u>	<u>\$783,785</u>	<u>\$125,144</u>	<u>\$5,837,545</u>

C. During the year ended June 30, 2001, the following changes occurred in liabilities reported in the General Long-Term Obligations Account Group. Compensated absences will ultimately be paid from the fund from which the employee is paid.

	<u>Balance 07/01/2000</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 06/30/2001</u>
Compensated Absences	\$1,032,673	\$206,484	\$ (92,786)	\$1,146,371
General Obligation Debt	4,708,280		(339,495)	4,368,785
Capital Leases	<u>57,121</u>	<u>27,395</u>	<u>(41,852)</u>	<u>42,664</u>
Total	<u>\$5,798,074</u>	<u>\$233,879</u>	<u>\$(474,133)</u>	<u>\$5,557,820</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 10 - LONG-TERM DEBT - (Continued)

D. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District, and that unvoted indebtedness for energy conservation measures shall not exceed 9/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2001, are a voted debt margin of \$45,524,831 (including available funds of \$484,575), an unvoted debt margin of \$540,281, and an unvoted energy conservation debt margin of \$4,078,741.

NOTE 11 - RISK MANAGEMENT

The District has established a Self Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss for dental, vision and prescription drug card plans offered to employees. Under this program, the Self Insurance Fund provides coverage for up to annual maximum of \$35,000 for each health benefits claim, capped at \$967,225 annually for all claims. The plan is offered to school districts, which are members of the Ohio Schools' Council (OSC), and administered by Benefit Services, Inc. Through OSC, the District purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the District participate in the program and make payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed cost (premiums for stop-loss coverage and medical conversion and administrative fees and services). The District's independent third-party administrator has actuarially determined that \$91,357 is a good and sufficient provision for all unmatured 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, 2001.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 11 - RISK MANAGEMENT - (Continued)

The Board of Trustees of OSC, with assistance of actuarial analysis, establishes premium rates for medical, dental, and prescription drug insurance, based upon the specific plan negotiated by each member district and its employees. Premiums are placed in a Trust Fund controlled by the Board of Trustees and invested prudently to produce income, which additionally benefits the consortium. The "reserves" in the Trust Fund include monies necessary to pay the "claims run-out", should the consortium ever be dissolved. For the 2000-01 plan year, the District's reserves amounted to \$69,823, which is included in the claims payable total. Because the consortium is organized under Internal Revenue Service Code Section 501(c)(9), investment income is tax exempt.

The claims liability of \$91,357 reported in the Fund at June 30, 2001, is based on the provisions of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", 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 are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2001	\$ 99,887	\$338,755	\$347,285	\$ 91,357
2000	105,591	285,564	291,268	99,887
1999	137,835	224,692	256,936	105,591
1998	192,583	137,949	192,697	137,835
1997	125,945	238,450	171,812	192,583
1996	213,144	369,238	456,437	125,945
1995	180,000	780,274	747,130	213,144

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the District.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 11 - RISK MANAGEMENT - (Continued)

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 with several companies for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible (Per Occurrence)</u>	<u>Coverage Limitations</u>
Ohio Casualty Insurance Co.	Blanket Bond	\$ 100	\$ 5,000 per employee
Crum & Forster	Commercial Property	1,000	37,338,696
Travelers Insurance Co.	Boiler & Machinery	1,000	30,000,000
Crum & Forster	Inland Marine	250	Varies
Nationwide Insurance Co.	Fleet	1,000	2,000,000
Nationwide Insurance Co.	General & Public Officials Liability	0	2,000,000 per claim 5,000,000 annual aggregate
Crum & Forster	Crime	250	5,000
Ohio Casualty Insurance Co.	Treasurer's Bond	0	50,000
Ohio Casualty Insurance Co.	Public Employee Dishonesty Bond	1,000	250,000

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 2000.

OSBA WORKER'S COMPENSATION GROUP RATING

For fiscal year 2001, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (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 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.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains three Enterprise funds to account for the operations of food service, uniform school supplies and adult education. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 2001:

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>Total Enterprise Funds</u>
Operating Revenue	\$173,734	\$ 2,298		\$176,032
Depreciation Expense	1,658			1,658
Operating Loss	(76,221)	(1,544)		(77,765)
Non-operating Revenue:				
Operating grants	21,815			21,815
Donated federal commodities	8,337			8,337
Net Loss	(43,070)	(1,544)		(44,614)
Net Working Capital	25,228	3,365	\$1,522	30,115
Fixed Assets:				
Deletions	8,506			8,506
Total Assets	73,375	3,365	1,522	78,262
Long-Term Liabilities				
Payable From Fund Revenues	15,260			15,260
Total Fund Equity	23,329	3,365	1,522	28,216
Encumbrances outstanding as of 6/30/01	24,852			24,852

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides basic retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute at an actuarially determined rate, which was 14% for 2001; 4.2% was the portion to fund pension obligations. The contribution rates of plan members and employers are established and may be amended by the School Employees Retirement Board, up to maximum amounts allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$315,860, \$291,371, and \$232,786, respectively; 100% has been contributed for all three fiscal years.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 9.5% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$782,224, \$750,942, and \$628,036, respectively; 100% has been contributed for all three fiscal years.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2001, members of the Board of Education have elected SERS.

NOTE 14 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The Board currently allocates employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$251,429 during the 2001 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.419 billion at June 30, 2000 (the latest information available). For the year ended June 30, 2000, net health care costs paid by STRS were \$283.137 million and there were 99,011 eligible benefit recipients.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

For SERS, coverage is made available to service retirees with 10 or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

For this fiscal year, employer contributions to fund health care benefits were 9.8% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. For the District, the amount to fund health care benefits, including the surcharge, equaled \$202,216 during the 2001 fiscal year. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2000 (the latest information available), were \$140.7 million and the target level was \$211.0 million. At June 30, 2000, there were net assets available for payment of health care benefits of \$252.3 million and there were approximately 50,000 participants receiving health care benefits.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types 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 the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for Governmental funds (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the Governmental funds are as follows:

	Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses			
	Governmental Fund Types			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
Budget Basis	\$ 356,549	\$(30,521)	\$75,482	\$(253,298)
Net Adjustment for Revenue Accruals	340,812	913	9,430	(7,490)
Net Adjustment for Expenditure Accruals	(293,205)	(3,518)		(73,478)
Net Adjustment for Other Financing Sources/(Uses)	(56,412)			
Adjustment for Encumbrances	<u>577,404</u>	<u>38,130</u>	<u> </u>	<u>409,372</u>
GAAP Basis	<u>\$ 925,148</u>	<u>\$ 5,004</u>	<u>\$84,912</u>	<u>\$ 75,106</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2001.

B. Litigation

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

C. School Funding Decision

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE 16 - CONTINGENCIES - (Continued)

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 2, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and re-determine any issue upon such consideration.

As of the date of these financial statements, the District is unable to determine the effect, if any, this decision will have on its future State funding and on its financial operations.

NOTE 17 - LEASE AGREEMENT

During fiscal 1999, the Board of Education entered into a lease agreement with Eller Media. Eller Media is leasing land from the District for outdoor advertising. The total 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 will receive \$50,000 per year in years 6 through 13 of the lease. \$220,000 is due in year 14 and \$500,000 in year 15. The lease is cancelable by either party with a 30 day notice. Thus, no accrual has been recorded on the Combined Balance Sheet.

NOTE 18 - SIGNIFICANT SUBSEQUENT EVENTS

As of July 1, 2001, the District will no longer be self-insured. Health insurance will continue to be provided by Medical Mutual until October 1, 2001, at which point the District will join the Cleveland Insurance Consortium, a group purchasing cooperative for employee health insurance.

In November 2001, LTV Steel and Wire Corp. closed its doors, as part of its continuing reorganization since filing for bankruptcy in December 2000. The District estimates that the loss of annual tax revenue due to this plant closing could total \$1 million.

**COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

This Page is Intentionally Left Blank.

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

This Page is Intentionally Left Blank.

GENERAL FUND

Section 5705.09 Revised Code

The General Fund is used to account for resources traditionally associated with a school district which are not required legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities and pupil transportation.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$10,549,725	\$10,549,725	\$0
Tuition	109	70	(39)
Earnings on investments	907,092	744,670	(162,422)
Other local revenues	43,120	35,394	(7,726)
Revenue from intermediate sources	14,672	12,057	(2,615)
Intergovernmental-State	1,247,399	1,024,051	(223,348)
Total Revenues	<u>12,762,117</u>	<u>12,365,967</u>	<u>(396,150)</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	3,636,612	3,621,396	15,216
Fringe benefits	1,136,170	1,013,796	122,374
Purchased services	27,944	13,118	14,826
Supplies	216,451	216,436	15
Capital outlay	53,678	43,418	10,260
Other	2,014	972	1,042
Total instruction-regular	<u>5,072,869</u>	<u>4,909,136</u>	<u>163,733</u>
Instruction-special			
Purchased services	407,521	401,995	5,526
Supplies	9,984	8,241	1,743
Capital outlay	200		200
Other	50		50
Total instruction-special	<u>417,755</u>	<u>410,236</u>	<u>7,519</u>
Instruction-other			
Purchased services	271,582	262,406	9,176
Total instruction-other	<u>271,582</u>	<u>262,406</u>	<u>9,176</u>
Support services-pupil			
Salaries and wages	504,577	499,168	5,409
Fringe benefits	163,287	161,319	1,968
Purchased services	152,182	136,673	15,509
Supplies	47,299	41,137	6,162
Capital outlay	7,180	3,799	3,381
Other	14,350	11,232	3,118
Total support services-pupil	<u>888,875</u>	<u>853,328</u>	<u>35,547</u>
Support services-instructional staff			
Salaries and wages	362,247	346,803	15,444
Fringe benefits	134,112	116,467	17,645
Purchased services	209,271	164,940	44,331
Supplies	72,160	45,136	27,024
Capital outlay	14,674	6,208	8,466
Other	835		835
Total support services-instructional staff	<u>793,299</u>	<u>679,554</u>	<u>113,745</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

CUYAHOGA COUNTY, OHIO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

(NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support services-Board of Education			
Salaries and wages	\$11,400	\$9,280	\$2,120
Fringe benefits	2,297	1,505	792
Purchased services	33,923	21,915	12,008
Supplies	3,255	2,794	461
Other	277,383	208,711	68,672
Total support services-Board of Education	328,258	244,205	84,053
Support services-administration			
Salaries and wages	638,500	637,334	1,166
Fringe benefits	256,113	248,799	7,314
Purchased services	134,052	109,497	24,555
Supplies	20,658	17,119	3,539
Capital outlay	28,516	17,242	11,274
Other	25,585	21,831	3,754
Total support services-administration	1,103,424	1,051,822	51,602
Support services-fiscal			
Salaries and wages	184,364	182,284	2,080
Fringe benefits	86,144	75,011	11,133
Purchased services	46,589	30,643	15,946
Supplies	8,789	7,094	1,695
Capital outlay	13,499	2,768	10,731
Other	205,824	164,365	41,459
Total support services-fiscal	545,209	462,165	83,044
Support services-business			
Purchased services	136,257	103,432	32,825
Supplies	22,874	22,138	736
Other	7,000	4,423	2,577
Total support services-business	166,131	129,993	36,138
Support services-operations and maintenance			
Salaries and wages	615,445	577,948	37,497
Fringe benefits	237,878	206,169	31,709
Purchased services	542,657	512,428	30,229
Supplies	119,873	100,327	19,546
Capital outlay	79,939	58,151	21,788
Total support services- operations and maintenance	1,595,792	1,455,023	140,769
Support services-pupil transportation			
Salaries and wages	347,084	347,080	4
Fringe benefits	135,956	127,790	8,166
Purchased services	61,598	37,734	23,864
Supplies	65,220	58,887	6,333
Capital outlay	145,844	140,973	4,871
Total support services-pupil transportation	755,702	712,464	43,238

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support services-central:			
Salaries and wages	\$7,000	\$4,346	\$2,654
Fringe benefits	688	682	6
Purchased services	34,331	25,335	8,996
Supplies	6,770	1,502	5,268
Total support services-central	<u>48,789</u>	<u>31,865</u>	<u>16,924</u>
Community services:			
Salaries and wages	53,250	52,308	942
Fringe benefits	11,877	10,860	1,017
Purchased services	27,537	20,372	7,165
Supplies	3,239	2,666	573
Capital outlay	21,773	19,525	2,248
Total community services	<u>117,676</u>	<u>105,731</u>	<u>11,945</u>
Extracurricular activities:			
Salaries and wages	367,675	347,871	19,804
Fringe benefits	72,597	55,519	17,078
Purchased services	11,350	11,085	265
Supplies	24,253	22,753	1,500
Capital outlay	200		200
Other	19,872	7,177	12,695
Total extracurricular activities	<u>495,947</u>	<u>444,405</u>	<u>51,542</u>
Facilities services:			
Purchased services	68,726	68,726	0
Capital outlay	6,600	6,600	0
Other	500		500
Total facilities services	<u>75,826</u>	<u>75,326</u>	<u>500</u>
Total expenditures	<u>12,677,134</u>	<u>11,827,659</u>	<u>849,475</u>
Excess of revenues over expenditures	<u>84,983</u>	<u>538,308</u>	<u>453,325</u>
Other financing sources (uses):			
Refund of prior year's expenditures	100,726	100,726	0
Refund of prior year's (receipts)	(4,050)	(4,050)	0
Operating transfers in	2,131	2,131	0
Operating transfers out	(341,980)	(266,786)	75,194
Advances out	(15,000)	(15,000)	0
Proceeds of sale of fixed assets	1,220	1,220	0
Total other financing sources (uses)	<u>(256,953)</u>	<u>(181,759)</u>	<u>75,194</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	<u>(171,970)</u>	<u>356,549</u>	<u>528,519</u>
Fund balance, July 1	6,986,920	6,986,920	0
Prior year encumbrances appropriated	398,150	398,150	0
Fund balance, June 30	<u>\$7,213,100</u>	<u>\$7,741,619</u>	<u>\$528,519</u>

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's Special Revenue Funds follows:

Public School Support Fund

Section 5705.12, Revised Code

A fund provided to account for specific local revenue sources, other than taxes or expendable trusts (i.e. profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by Board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grants Fund

Sections 5705.09 and 5705.13, Revised Code

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

District Managed Student Activity Fund

Section 3313.062

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

Teacher Development Fund

Current Budget Bill
appropriation line item 200-527

A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs for professional staff.

Management Information Systems Fund

Am. Sub. HB 111

To account for funds associated with the state-wide requirements of the Education Management System (EMIS).

Network Connectivity Subsidy Fund

Section 5705.09, Revised Code

To account for monies appropriated for Ohio Educational Computer Network Connections.

SchoolNet Professional Development Fund

Section 5705.09, Revised Code

To account for revenues received to provide professional development programs related to technology.

Ohio Reads Fund

State Line Item Appropriation GRF 200-566 and 200-455

A fund intended a) to improve reading outcomes, especially on the fourth grade reading proficiency test and b) for volunteer coordinators in public schools, for educational service centers for costs associated with volunteer coordination, for background checks of volunteers, to evaluate the Ohio Reads program, and for operating expenses associated with administering the program.

Alternative Education FY2001 Grant Fund

State Line Item Appropriation GRF 200-520

To account for alternative educational programs for existing and new at-risk and delinquent youth.

Safe School FY2001 Grant Fund

Section 5705.12, Revised Code

To account for various monies received from state agencies which are not classified elsewhere.

NDEA Title II Fund

Catalog of Federal Domestic Assistance
#84-164, or #13-483

To account for funds which are for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

Title I Fund

PL 97-35; Title I ESEA 1965

To account for funds which are to: 1) establish or improve programs designed to meet the special educational need of migratory children of migratory agricultural workers or migratory fishermen 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 of other information about children of migrant workers.

Title VI Fund

PL 97-35; ESEA 1965

To account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and inservice and staff development.

Drug-Free School Grant Fund

Catalog of Federal Domestic Assistance #84-166

To provide funds to 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 development, training, technical assistance and coordination of activities.

Class Size Reduction Fund

Catalog of Federal Domestic Assistance #84.340

To account for a federal grant aimed at reducing class sizes through out the District.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
FOR ALL SPECIAL REVENUE FUNDS
JUNE 30, 2001

	<u>PUBLIC SCHOOL SUPPORT</u>	<u>OTHER GRANTS</u>	<u>DISTRICT MANAGED STUDENT ACTIVITY</u>
Assets:			
Equity in pooled cash and cash equivalents	\$8,288	\$18,414	\$45,124
Receivables (net of allowances for uncollectibles):			
Accounts	515		397
Total Assets	<u><u>\$8,803</u></u>	<u><u>\$18,414</u></u>	<u><u>\$45,521</u></u>
Liabilities:			
Accounts payable			\$4,634
Accrued wages and benefits			
Pension obligation payable			
Due to other funds			300,000
Total Liabilities	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>304,634</u></u>
Fund Equity:			
Fund Balances:			
Reserved for encumbrances	448	100	18,334
Unreserved-undesignated	8,355	18,314	(277,447)
Total Fund Equity (Deficit)	<u><u>8,803</u></u>	<u><u>18,414</u></u>	<u><u>(259,113)</u></u>
Total Liabilities and Fund Equity	<u><u>\$8,803</u></u>	<u><u>\$18,414</u></u>	<u><u>\$45,521</u></u>

<u>TEACHER DEVELOPMENT</u>	<u>MANAGEMENT INFORMATION SYSTEMS</u>	<u>NETWORK CONNECTIVITY SUBSIDY</u>	<u>SCHOOLNET PROFESSIONAL DEVELOPMENT</u>	<u>OHIO READS</u>
	\$4,183	\$9,000	\$1,909	\$2,000
<u>\$0</u>	<u>\$4,183</u>	<u>\$9,000</u>	<u>\$1,909</u>	<u>\$2,000</u>
\$1	\$891 115			
<u>1</u>	<u>1,006</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
(1)	3,177	9,000	1,909	1,999
(1)	3,177	9,000	1,909	1
<u>\$0</u>	<u>\$4,183</u>	<u>\$9,000</u>	<u>\$1,909</u>	<u>\$2,000</u>

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
FOR ALL SPECIAL REVENUE FUNDS
JUNE 30, 2001

	<u>ALTERNATIVE EDUCATION GRANT</u>	<u>SAFE SCHOOL GRANT</u>	<u>NDEA TITLE II</u>
Assets:			
Equity in pooled cash and cash equivalents	\$12,873		
Receivables (net of allowances for uncollectibles):			
Accounts			
Total Assets	<u>\$12,873</u>	<u>\$0</u>	<u>\$0</u>
Liabilities:			
Accounts payable			
Accrued wages and benefits	\$17		
Pension obligation payable			
Due to other funds			
Total Liabilities	<u>17</u>	<u>\$0</u>	<u>\$0</u>
Fund Equity:			
Fund Balances:			
Reserved for encumbrances	12,246		
Unreserved-undesignated	610		
Total Fund Equity (Deficit)	<u>12,856</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$12,873</u>	<u>\$0</u>	<u>\$0</u>

<u>TITLE I</u>	<u>TITLE VI</u>	<u>DRUG FREE SCHOOL GRANT</u>	<u>CLASS SIZE REDUCTION</u>	<u>TOTAL</u>
	\$162	\$402		\$102,355
				912
<u>\$0</u>	<u>\$162</u>	<u>\$402</u>	<u>\$0</u>	<u>\$103,267</u>
				\$4,634
	\$19	\$7		935
				115
				300,000
<u>\$0</u>	<u>19</u>	<u>7</u>	<u>\$0</u>	<u>305,684</u>
				33,529
	143	402		(235,946)
<u>0</u>	<u>143</u>	<u>(7)</u>	<u>0</u>	<u>(202,417)</u>
<u>\$0</u>	<u>\$162</u>	<u>\$402</u>	<u>\$0</u>	<u>\$103,267</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>PUBLIC SCHOOL SUPPORT</u>	<u>OTHER GRANTS</u>	<u>DISTRICT MANAGED STUDENT ACTIVITY</u>
Revenues:			
From local sources:			
Earnings on investments			\$665
Other local revenues	\$45,073	\$11,475	40,797
Intergovernmental - State			
Intergovernmental - Federal			
Total Revenues	<u>45,073</u>	<u>\$11,475</u>	<u>41,462</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Special			
Support services:			
Pupil	43,572	12,065	
Instructional staff	1,521		
Operations and maintenance			8,335
Central			
Extracurricular activities			117,960
Total Expenditures	<u>45,093</u>	<u>12,065</u>	<u>126,295</u>
Excess (deficiency) of Revenues over (under) expenditures	<u>(20)</u>	<u>(590)</u>	<u>(84,833)</u>
Other financing sources:			
Operating transfers in		5,000	60,000
Total other financing sources	<u>0</u>	<u>5,000</u>	<u>60,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(20)</u>	<u>4,410</u>	<u>(24,833)</u>
Fund balance (Deficit), July 1	8,823	14,004	(234,280)
Fund balance (Deficit), June 30	<u>\$8,803</u>	<u>\$18,414</u>	<u>(\$259,113)</u>

<u>TEACHER DEVELOPMENT</u>	<u>MANAGEMENT INFORMATION SYSTEMS</u>	<u>NETWORK CONNECTIVITY SUBSIDY</u>	<u>SCHOOLNET PROFESSIONAL DEVELOPMENT</u>	<u>OHIO READS</u>
\$5,071	\$5,000	\$9,000	\$3,000	\$2,000
<u>5,071</u>	<u>5,000</u>	<u>9,000</u>	<u>3,000</u>	<u>\$2,000</u>
			2,091	
5,054				732
	22,941			
<u>5,054</u>	<u>22,941</u>	<u>0</u>	<u>2,091</u>	<u>732</u>
<u>17</u>	<u>(17,941)</u>	<u>9,000</u>	<u>909</u>	<u>1,268</u>
	20,000			
<u>0</u>	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
17	2,059	9,000	909	1,268
<u>(18)</u>	<u>1,118</u>	<u>0</u>	<u>1,000</u>	<u>732</u>
<u>(\$1)</u>	<u>\$3,177</u>	<u>\$9,000</u>	<u>\$1,909</u>	<u>\$2,000</u>

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>ALTERNATIVE EDUCATION GRANT</u>	<u>SAFE SCHOOL GRANT</u>	<u>NDEA TITLE II</u>
Revenues:			
From local sources:			
Earnings on investments			
Other local revenues			
Intergovernmental - State	\$44,000	\$832	
Intergovernmental - Federal			\$5,243
Total Revenues	<u>44,000</u>	<u>832</u>	<u>5,243</u>
Expenditures:			
Current:			
Instruction:			
Regular			1,282
Special	31,144		
Support services:			
Pupil			
Instructional staff			5,243
Operations and maintenance		832	
Central			
Extracurricular activities			
Total Expenditures	<u>31,144</u>	<u>832</u>	<u>6,525</u>
Excess (deficiency) of Revenues over (under) expenditures	<u>12,856</u>	<u>0</u>	<u>(1,282)</u>
Other financing sources:			
Operating transfers in			
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	12,856	0	(1,282)
Fund balance (Deficit), July 1	<u>0</u>		<u>1,282</u>
Fund balance (Deficit), June 30	<u>\$12,856</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 AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 PUBLIC SCHOOL SUPPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Other	\$50,311	\$44,558	(\$5,753)
Total revenues	<u>50,311</u>	<u>44,558</u>	<u>(5,753)</u>
Expenditures:			
Current:			
Support services-pupil			
Purchased services	6,624	38,906	(32,282)
Supplies	489	2,869	(2,380)
Capital outlay	23	133	(110)
Other	372	2,182	(1,810)
Total support services-pupil	<u>7,508</u>	<u>44,090</u>	<u>(36,582)</u>
Support services-instructional staff			
Fringe benefits	3,233	1,521	1,712
Total support services-instructional staff	<u>3,233</u>	<u>1,521</u>	<u>1,712</u>
Community services			
Other	133	133	0
Total Community services	<u>133</u>	<u>133</u>	<u>0</u>
Total expenditures	<u>10,874</u>	<u>45,744</u>	<u>(34,870)</u>
Excess (deficiency) of revenues over (under) expenditures	39,437	(1,186)	(40,623)
Fund balance, July 1	8,652	8,652	0
Prior year encumbrances appropriated	374	374	0
Fund balance, June 30	<u>\$48,463</u>	<u>\$7,840</u>	<u>(\$40,623)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
OTHER GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Other	\$7,827	\$11,475	\$3,648
Total revenues	<u>7,827</u>	<u>11,475</u>	<u>3,648</u>
Expenditures:			
Current:			
Support services-pupil			
Purchased services	7,000	11,024	(4,024)
Supplies	5,000	1,140	3,860
Total support services-pupil	<u>12,000</u>	<u>12,164</u>	<u>(164)</u>
Total expenditures	<u>12,000</u>	<u>12,164</u>	<u>(164)</u>
Deficiency of revenues under expenditures	<u>(4,173)</u>	<u>(689)</u>	<u>3,484</u>
Other financing sources:			
Transfers in	5,708	5,000	(708)
Total other financing sources	<u>5,708</u>	<u>5,000</u>	<u>(708)</u>
Excess of revenues and other financing sources over expenditures	1,535	4,311	2,776
Fund balance, July 1	14,004	14,004	0
Fund balance, June 30	<u>\$15,539</u>	<u>\$18,315</u>	<u>\$2,776</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$759	\$665	(\$94)
Other	255,058	40,399	(214,659)
Total revenues	<u>255,817</u>	<u>41,064</u>	<u>(214,753)</u>
Expenditures:			
Support services - operations and maintenance			
Purchased services	55	8,335	(8,280)
Total Support services- operations and maintenance	<u>55</u>	<u>8,335</u>	<u>(8,280)</u>
Extracurricular activities:			
Purchased services	111,090	48,009	63,081
Supplies	89,427	38,647	50,780
Capital outlay	58,128	25,121	33,007
Other	57,929	25,035	32,894
Total extracurricular activities	<u>316,574</u>	<u>136,812</u>	<u>179,762</u>
Total expenditures	<u>316,629</u>	<u>145,147</u>	<u>171,482</u>
Deficiency of revenues under expenditures	<u>(60,812)</u>	<u>(104,083)</u>	<u>(43,271)</u>
Other financing sources:			
Operating transfers in	68,500	60,000	(8,500)
Total other financing sources	<u>68,500</u>	<u>60,000</u>	<u>(8,500)</u>
Deficiency of revenues and other financing sources under expenditures	7,688	(44,083)	(51,771)
Fund balance, July 1	27,142	27,142	0
Prior year encumbrances appropriated	39,130	39,130	0
Fund balance (deficit), June 30	<u>\$73,960</u>	<u>\$22,189</u>	<u>(\$51,771)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 TEACHER DEVELOPMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental-State	\$5,789	\$5,071	(\$718)
Total revenues	<u>5,789</u>	<u>5,071</u>	<u>(718)</u>
Expenditures:			
Current:			
Support services-instructional staff			
Salaries and wages	250	250	0
Fringe benefits	40	40	0
Purchased services	4,781	4,781	0
Total support services-instructional staff	<u>5,071</u>	<u>5,071</u>	<u>0</u>
Total expenditures	<u>5,071</u>	<u>5,071</u>	<u>0</u>
Excess of revenues over expenditures	718	0	(718)
Fund balance, July 1	0	0	0
Fund balance, June 30	<u>\$718</u>	<u>\$0</u>	<u>(\$718)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 MANAGEMENT INFORMATION SYSTEMS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$5,708	\$5,000	(\$708)
Total revenues	<u>5,708</u>	<u>5,000</u>	<u>(708)</u>
Expenditures:			
Current:			
Support services-central			
Salaries and wages	630	17,252	(16,622)
Fringe benefits	97	2,734	(2,637)
Purchased services	417	1,497	(1,080)
Supplies		394	(394)
Capital outlay		85	(85)
Total support services-central	<u>1,144</u>	<u>21,962</u>	<u>(20,818)</u>
Total expenditures	<u>1,144</u>	<u>21,962</u>	<u>(20,818)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,564</u>	<u>(16,962)</u>	<u>(21,526)</u>
Other financing sources:			
Operating transfers in	22,833	20,000	(2,833)
Total other financing sources	<u>22,833</u>	<u>20,000</u>	<u>(2,833)</u>
Excess of revenues and other financing sources over expenditures	27,397	3,038	(24,359)
Fund balance, July 1	1,144	1,144	0
Fund balance, June 30	<u>\$28,541</u>	<u>\$4,182</u>	<u>(\$24,359)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 NETWORK CONNECTIVITY SUBSIDY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$10,275	\$9,000	(\$1,275)
Total revenues	<u>10,275</u>	<u>9,000</u>	<u>(1,275)</u>
Expenditures:			
Current:			
Support services - instructional staff			
Purchased services	9,000		9,000
Total Support services - instructional staff	<u>9,000</u>	<u>0</u>	<u>9,000</u>
Total expenditures	<u>9,000</u>	<u>0</u>	<u>9,000</u>
Excess of revenues over expenditures	1,275	9,000	7,725
Fund balance, July 1	0	0	0
Fund balance, June 30	<u>\$1,275</u>	<u>\$9,000</u>	<u>\$7,725</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 SCHOOLNET PROFESSIONAL DEVELOPMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$3,425	\$3,000	(\$425)
Total revenues	<u>3,425</u>	<u>3,000</u>	<u>(425)</u>
Expenditures:			
Current:			
Instruction-regular			
Purchased services	4,001	2,092	1,909
Total instruction-regular	<u>4,001</u>	<u>2,092</u>	<u>1,909</u>
Total expenditures	<u>4,001</u>	<u>2,092</u>	<u>1,909</u>
Excess (deficiency) of revenues over (under) expenditures	(576)	908	1,484
Fund balance, July 1	1,000	1,000	0
Fund balance, June 30	<u>\$424</u>	<u>\$1,908</u>	<u>\$1,484</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
OHIO READS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$287	\$2,000	\$1,713
Total revenues	<u>287</u>	<u>2,000</u>	<u>1,713</u>
Expenditures:			
Current:			
Support services-instructional staff			
Supplies	4,000	3,999	1
Total support services-instructional staff	<u>4,000</u>	<u>3,999</u>	<u>1</u>
Total expenditures	<u>4,000</u>	<u>3,999</u>	<u>1</u>
Deficiency of revenues under expenditures	(3,713)	(1,999)	1,714
Fund balance, July 1	4	4	0
Prior year encumbrances appropriated	<u>1,997</u>	<u>1,997</u>	<u>0</u>
Fund balance, June 30	<u><u>(\$1,712)</u></u>	<u><u>\$2</u></u>	<u><u>\$1,714</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALTERNATIVE EDUCATION GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$50,233	\$44,000	(\$6,233)
Total revenues	<u>50,233</u>	<u>44,000</u>	<u>(6,233)</u>
Expenditures:			
Current:			
Instruction-special			
Salaries and wages	3,000	3,000	0
Fringe benefits	475	464	11
Purchased services	18,728	18,190	538
Supplies and materials	13,640	11,068	2,572
Capital outlay	8,158	10,651	(2,493)
Total instruction-special	<u>44,001</u>	<u>43,373</u>	<u>628</u>
Total expenditures	<u>44,001</u>	<u>43,373</u>	<u>628</u>
Excess of revenues over expenditures	6,232	627	(5,605)
Fund balance, July 1	0	0	0
Fund balance, June 30	<u>\$6,232</u>	<u>\$627</u>	<u>(\$5,605)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
SAFE SCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$950	\$832	(\$118)
Total revenues	<u>950</u>	<u>832</u>	<u>(118)</u>
Expenditures:			
Current:			
Support services - operations and maintenance			
Capital outlay	832	832	0
Total support services - operations and maintenance	<u>832</u>	<u>832</u>	<u>0</u>
Total expenditures	<u>832</u>	<u>832</u>	<u>0</u>
Excess of revenues over expenditures	118	0	(118)
Fund balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u>\$118</u>	<u>\$0</u>	<u>(\$118)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 NDEA TITLE II
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$5,986	\$5,243	(\$743)
Total revenues	<u>5,986</u>	<u>5,243</u>	<u>(743)</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	1,000	1,115	(115)
Fringe benefits	282	167	115
Total instruction-regular	<u>1,282</u>	<u>1,282</u>	<u>0</u>
Support services-instructional staff			
Purchased services	5,243	5,243	0
Total support services-instructional staff	<u>5,243</u>	<u>5,243</u>	<u>0</u>
Total expenditures	<u>6,525</u>	<u>6,525</u>	<u>0</u>
Deficiency of revenues under expenditures	(539)	(1,282)	(743)
Fund balance, July 1	1,282	1,282	0
Fund balance, June 30	<u>\$743</u>	<u>\$0</u>	<u>(\$743)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 TITLE I
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental -Federal	\$38,917	\$34,089	(\$4,828)
Total revenues	<u>38,917</u>	<u>34,089</u>	<u>(4,828)</u>
Expenditures:			
Current:			
Instruction-special			
Purchased services	34,089	34,089	0
Total instruction-special	<u>34,089</u>	<u>34,089</u>	<u>0</u>
Total expenditures	<u>34,089</u>	<u>34,089</u>	<u>0</u>
Excess of revenues over expenditures	4,828	0	(4,828)
Fund balance, July 1	0	0	0
Fund balance, June 30	<u>\$4,828</u>	<u>\$0</u>	<u>(\$4,828)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 TITLE VI
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$5,237	\$4,587	(\$650)
Total revenues	<u>5,237</u>	<u>4,587</u>	<u>(650)</u>
Expenditures:			
Current:			
Instruction-special			
Salaries and wages	3,818	3,819	(1)
Fringe benefits	769	606	163
Total instruction-special	<u>4,587</u>	<u>4,425</u>	<u>162</u>
Total expenditures	<u>4,587</u>	<u>4,425</u>	<u>162</u>
Excess of revenues over expenditures	650	162	(488)
Fund balance, July 1	0	0	0
Fund balance, June 30	<u>\$650</u>	<u>\$162</u>	<u>(\$488)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 DRUG-FREE SCHOOL GRANT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$3,901	\$3,417	(\$484)
Total revenues	<u>3,901</u>	<u>3,417</u>	<u>(484)</u>
Expenditures:			
Current:			
Support services-pupil			
Salaries and wages	1,017	1,186	(169)
Fringe benefits		211	(211)
Purchased services	850	460	390
Supplies and materials	1,550	1,560	(10)
Capital outlay	17	17	0
Total support services-pupil	<u>3,434</u>	<u>3,434</u>	<u>0</u>
Total expenditures	<u>3,434</u>	<u>3,434</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	467	(17)	(484)
Fund balance, July 1	17	17	0
Fund balance, June 30	<u>\$484</u>	<u>\$0</u>	<u>(\$484)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 CLASS SIZE REDUCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$12,199	\$10,685	(\$1,514)
Total revenues	<u>12,199</u>	<u>10,685</u>	<u>(1,514)</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	10,685	10,685	0
Total instruction-regular	<u>10,685</u>	<u>10,685</u>	<u>0</u>
Total expenditures	<u>10,685</u>	<u>10,685</u>	<u>0</u>
Excess of revenues over expenditures	1,514	0	(1,514)
Fund balance, July 1	0	0	0
Fund balance, June 30	<u>\$1,514</u>	<u>\$0</u>	<u>(\$1,514)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$759	\$665	(\$94)
Other	313,196	96,432	(216,764)
Intergovernmental - State	76,667	68,903	(7,764)
Intergovernmental - Federal	66,240	58,021	(8,219)
Total revenues	456,862	224,021	(232,841)
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	11,686	11,801	(115)
Fringe benefits	282	167	115
Purchased services	4,000	2,091	1,909
Total instruction-regular	15,968	14,059	1,909
Instruction-special			
Salaries and wages	6,818	6,819	(1)
Fringe benefits	1,244	1,070	174
Purchased services	52,817	52,279	538
Supplies and materials	13,640	11,068	2,572
Capital outlay	8,158	10,651	(2,493)
Total instruction-special	82,677	81,887	790
Support services-pupil			
Salaries and wages	1,017	1,186	(169)
Fringe benefits		211	(211)
Purchased services	14,474	50,390	(35,916)
Supplies	7,039	5,569	1,470
Capital outlay	40	150	(110)
Other	372	2,182	(1,810)
Total support services-pupil	22,942	59,688	(36,746)
Support services-instructional staff			
Salaries and wages	250	250	0
Fringe benefits	3,273	1,561	1,712
Purchased services	19,024	10,024	9,000
Supplies	4,000	3,999	1
Total support services-instructional staff	26,547	15,834	10,713

continued

CUYAHOGA HEIGHTS SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support services-operations and maintenance			
Purchased services	\$55	\$8,335	(\$8,280)
Capital outlay	832	832	0
Total support services- operations and maintenance	<u>887</u>	<u>9,167</u>	<u>(8,280)</u>
Support services-central			
Salaries and wages	630	17,252	(16,622)
Fringe benefits	97	2,734	(2,637)
Purchased services	417	1,497	(1,080)
Supplies		394	(394)
Capital outlay		85	(85)
Total support services-central	<u>1,144</u>	<u>21,962</u>	<u>(20,818)</u>
Community services			
Other	133	133	0
Total community services	<u>133</u>	<u>133</u>	<u>0</u>
Extracurricular activities			
Purchases services	111,090	48,009	63,081
Supplies	89,427	38,647	50,780
Capital outlay	58,128	25,121	33,007
Other	57,929	25,035	32,894
Total extracurricular activities	<u>316,574</u>	<u>136,812</u>	<u>179,762</u>
Total expenditures	<u>466,872</u>	<u>339,542</u>	<u>127,330</u>
Deficiency of revenues under expenditures	<u>(10,010)</u>	<u>(115,521)</u>	<u>(105,511)</u>
Other financing sources:			
Operating transfers in	97,041	85,000	(12,041)
Total other financing sources	<u>97,041</u>	<u>85,000</u>	<u>(12,041)</u>
Deficiency of revenues and other financing sources under expenditures	87,031	(30,521)	(117,552)
Fund balance, July 1	53,245	53,245	0
Prior year encumbrances appropriated	41,501	41,501	0
Fund balance, June 30	<u>\$181,777</u>	<u>\$64,225</u>	<u>(\$117,552)</u>

DEBT SERVICE FUND

Section 5705.09, Revised Code

A fund provided 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.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$485,007	\$459,679	(\$25,328)
Intergovernmental-State	485,007	25,328	(459,679)
Total revenues	<u>970,014</u>	<u>485,007</u>	<u>(485,007)</u>
Expenditures:			
Debt service:			
Principal retirement	339,495	339,495	0
Interest and fiscal charges	263,505	251,816	11,689
Total debt service	<u>603,000</u>	<u>591,311</u>	<u>11,689</u>
Total expenditures	<u>603,000</u>	<u>591,311</u>	<u>11,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>367,014</u>	<u>(106,304)</u>	<u>(473,318)</u>
Other financing sources:			
Operating transfers in	181,786	181,786	0
Total other financing sources	<u>181,786</u>	<u>181,786</u>	<u>0</u>
Excess of revenues and other financing sources over expenditures	548,800	75,482	(473,318)
Fund balance, July 1	390,385	390,385	0
Fund balance, June 30	<u>\$939,185</u>	<u>\$465,867</u>	<u>(\$473,318)</u>

CAPITAL PROJECTS FUNDS

Capital Projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's Capital Projects funds follows:

Permanent Improvement Fund

Section 5705.10, Revised Code

A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

Building Fund

This fund accounts for the receipt and expenditures related to all special bond funds in the District and to account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

SchoolNet Plus Fund

Section 5705.09, Revised Code

This fund accounts for State grants to provide classroom wiring, which will support the transmission of voice, video and data; and to provide a computer workstation and related technology for every classroom in low-wealth school districts.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 2001

	PERMANENT IMPROVEMENT	BUILDING	SCHOOLNET PLUS	TOTAL
Assets:				
Equity in pooled cash and cash equivalents	\$519,229	\$34,771	\$25,591	\$579,591
Investments	395,568			395,568
Receivables (net of allowances of uncollectibles):				
Accrued interest	2,183			2,183
Total Assets	<u>\$916,980</u>	<u>\$34,771</u>	<u>\$25,591</u>	<u>\$977,342</u>
Liabilities:				
Accounts payable	\$136,804			\$136,804
Deferred revenue	2,183			2,183
Total Liabilities	<u>138,987</u>	<u>\$0</u>	<u>\$0</u>	<u>138,987</u>
Fund Equity:				
Fund Balances:				
Reserved for encumbrances	219,797	34,771	18,000	272,568
Unreserved-undesignated	558,196		7,591	565,787
Total Fund Equity	<u>777,993</u>	<u>34,771</u>	<u>25,591</u>	<u>838,355</u>
Total Liabilities and Fund Equity	<u>\$916,980</u>	<u>\$34,771</u>	<u>\$25,591</u>	<u>\$977,342</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	PERMANENT IMPROVEMENT	BUILDING	SCHOOLNET PLUS	TOTAL
Revenues:				
Taxes	\$694,370			\$694,370
Earnings on investments	39,015	\$307		39,322
Intergovernmental - State			\$25,500	25,500
Total Revenues	<u>733,385</u>	<u>307</u>	<u>\$25,500</u>	<u>759,192</u>
Expenditures:				
Current:				
Instruction:				
Regular			9,430	9,430
Support services :				
Pupil	418,351	410	1,711	420,472
Instructional staff	1,396			1,396
Board of Education	17,885			17,885
Operations and maintenance	176,068	2,151		178,219
Facilities services	55,109	1,575		56,684
Total Expenditures	<u>668,809</u>	<u>4,136</u>	<u>11,141</u>	<u>684,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,576</u>	<u>(3,829)</u>	<u>14,359</u>	<u>75,106</u>
Fund balance, July 1	<u>713,417</u>	<u>38,600</u>	<u>11,232</u>	<u>763,249</u>
Fund balance, June 30	<u>\$777,993</u>	<u>\$34,771</u>	<u>\$25,591</u>	<u>\$838,355</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$979,932	\$694,370	(\$285,562)
Earnings on investments	65,631	46,505	(19,126)
Total revenues	<u>1,045,563</u>	<u>740,875</u>	<u>(304,688)</u>
Expenditures:			
Support services-pupil			
Purchased services	70,966	59,883	11,083
Supplies	47,992	40,497	7,495
Capital outlay	481,224	406,069	75,155
Total support services-pupil	<u>600,182</u>	<u>506,449</u>	<u>93,733</u>
Support services-instructional staff			
Purchased services	5,612	5,506	106
Capital outlay	1,437	1,410	27
Total support services-instructional staff	<u>7,049</u>	<u>6,916</u>	<u>133</u>
Support services-Board of Education			
Purchased services	18,754	17,885	869
Total support services-Board of Education	<u>18,754</u>	<u>17,885</u>	<u>869</u>
Support services-Business			
Capital outlay	5,000	4,925	75
Total support services-Business	<u>5,000</u>	<u>4,925</u>	<u>75</u>
Support services-operations and maintenance			
Purchased services	322,913	262,301	60,612
Supplies	61,975	50,342	11,633
Capital outlay	4,412	3,584	828
Total support services-operations and maintenance	<u>389,300</u>	<u>316,227</u>	<u>73,073</u>
Facilities services			
Purchased services	103,893	51,129	52,764
Capital outlay	98,294	48,374	49,920
Total facilities services	<u>202,187</u>	<u>99,503</u>	<u>102,684</u>
Total expenditures	<u>1,222,472</u>	<u>951,905</u>	<u>270,567</u>
Deficiency of revenues under expenditures	(176,909)	(211,030)	(34,121)
Fund balance, July 1	497,938	497,938	0
Prior year encumbrances appropriated	275,720	275,720	0
Fund balance, June 30	<u>\$596,749</u>	<u>\$562,628</u>	<u>(\$34,121)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
BUILDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
From local sources:			
Earnings on investments	\$433	\$307	(\$126)
Total revenues	<u>433</u>	<u>307</u>	<u>(126)</u>
Expenditures:			
Current:			
Support services-pupil			
Supplies and materials	486	410	76
Total support services-pupil	<u>486</u>	<u>410</u>	<u>76</u>
Support services-operations and maintenance			
Purchased services	43,569	35,391	8,178
Supplies	1,886	1,532	354
Total support services- operations and maintenance	<u>45,455</u>	<u>36,923</u>	<u>8,532</u>
Facilities services			
Purchased services	3,198	1,574	1,624
Total facilities services	<u>3,198</u>	<u>1,574</u>	<u>1,624</u>
Total expenditures	<u>49,139</u>	<u>38,907</u>	<u>10,232</u>
Deficiency of revenues under expenditures	(48,706)	(38,600)	10,106
Fund balance, July 1	239	239	0
Prior year encumbrances appropriated	38,361	38,361	0
Fund deficit, June 30	<u>(\$10,106)</u>	<u>\$0</u>	<u>\$10,106</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
SCHOOLNET PLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$35,987	\$25,500	(\$10,487)
Total revenues	<u>35,987</u>	<u>25,500</u>	<u>(10,487)</u>
Expenditures:			
Current:			
Instruction-regular			
Purchased services	760	760	0
Supplies	8,728	1,650	7,078
Capital outlay		7,020	(7,020)
Total instruction regular	<u>9,488</u>	<u>9,430</u>	<u>58</u>
Support services - pupil			
Purchased services	2,028	1,711	317
Total support services-pupil	<u>2,028</u>	<u>1,711</u>	<u>317</u>
Support services - instructional staff			
Fringe benefits	28	27	1
Purchased services	18,346	18,000	346
Total support services-instructional staff	<u>18,374</u>	<u>18,027</u>	<u>347</u>
Total expenditures	<u>29,890</u>	<u>29,168</u>	<u>722</u>
Excess (deficiency) of revenues over (under) expenditures	6,097	(3,668)	(9,765)
Fund balance, July 1	10,039	10,039	0
Prior year encumbrances appropriated	1,220	1,220	0
Fund balance, June 30	<u>\$17,356</u>	<u>\$7,591</u>	<u>(\$9,765)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$979,932	\$694,370	(\$285,562)
Earnings on investments	66,064	46,812	(19,252)
Intergovernmental - State	35,987	25,500	(10,487)
Total revenues	<u>1,081,983</u>	<u>766,682</u>	<u>(315,301)</u>
Expenditures:			
Current:			
Instruction-regular			
Purchased services	760	760	0
Supplies	8,728	1,650	7,078
Capital outlay	0	7,020	(7,020)
Total instruction-regular	<u>9,488</u>	<u>9,430</u>	<u>58</u>
Support services-pupil			
Purchased services	72,994	61,594	11,400
Supplies	48,478	40,907	7,571
Capital outlay	481,224	406,069	75,155
Total support services-pupil	<u>602,696</u>	<u>508,570</u>	<u>94,126</u>
Support services-instructional staff			
Fringe benefits	28	27	1
Purchased services	23,958	23,506	452
Capital outlay	1,437	1,410	27
Total support services-instructional staff	<u>25,423</u>	<u>24,943</u>	<u>480</u>
Support services-Board of Education			
Purchased services	18,754	17,885	869
Total support services-Board of Education	<u>18,754</u>	<u>17,885</u>	<u>869</u>
Support services-Business			
Capital outlay	5,000	4,925	75
Total support services-Business	<u>5,000</u>	<u>4,925</u>	<u>75</u>
Support services-operations and maintenance			
Purchased services	366,482	297,692	68,790
Supplies	63,861	51,874	11,987
Capital outlay	4,412	3,584	828
Total support services-operations and maintenance	<u>434,755</u>	<u>353,150</u>	<u>81,605</u>
Facilities services			
Purchased services	107,091	52,703	54,388
Capital outlay	98,294	48,374	49,920
Total facilities services	<u>205,385</u>	<u>101,077</u>	<u>104,308</u>
Total expenditures	<u>1,301,501</u>	<u>1,019,980</u>	<u>281,521</u>
Deficiency of revenues under expenditures	(219,518)	(253,298)	(33,780)
Fund balance, July 1	508,216	508,216	0
Prior year encumbrances appropriated	315,301	315,301	0
Fund balance, June 30	<u>\$603,999</u>	<u>\$570,219</u>	<u>(\$33,780)</u>

This Page is Intentionally Left Blank.

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

ENTERPRISE FUNDS

A fund category to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered primarily through user charges. Enterprise funds may also account for operations where the school board has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Food Service Fund

Section 3313.81, Revised Code

A fund used to record financial transactions related to food service operations.

Uniform School Supplies Fund

Section 3313.811, Revised Code

This fund accounts 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

Section 5705.12, Revised Code

A fund provided 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.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
JUNE 30, 2001

	FOOD SERVICE	UNIFORM SCHOOL SUPPLIES	ADULT EDUCATION	TOTAL
Assets:				
Equity in pooled cash and cash equivalents	\$54,493	\$1,936	\$1,522	\$57,951
Materials and supplies inventory	5,521	1,429		6,950
Property, Plant & Equipment - (Net of Accumulated Depreciation)	13,361			13,361
Total Assets	\$73,375	\$3,365	\$1,522	\$78,262
Liabilities:				
Accounts payable	\$498			\$498
Accrued wages and benefits	15,139			15,139
Compensated absences payable	15,260			15,260
Interfund loans payable	15,000			15,000
Pension obligation payable	1,195			1,195
Deferred revenue	2,954			2,954
Total Liabilities	50,046	\$0	\$0	50,046
Fund Equity:				
Retained earnings-unreserved	23,329	3,365	1,522	28,216
Total Fund Equity	23,329	3,365	1,522	28,216
Total Liabilities and Fund Equity	\$73,375	\$3,365	\$1,522	\$78,262

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	FOOD SERVICE	UNIFORM SCHOOL SUPPLIES	ADULT EDUCATION	TOTAL
Operating Revenues:				
Sales/charges for services	\$173,734	\$2,298		\$176,032
Total Operating Revenues	<u>173,734</u>	<u>2,298</u>	<u>\$0</u>	<u>176,032</u>
Operating Expenses:				
Salaries and wages	107,685			107,685
Fringe benefits	40,251			40,251
Contract services	886			886
Materials and supplies	99,475	3,842		103,317
Depreciation	1,658			1,658
Total Operating Expenses	<u>249,955</u>	<u>3,842</u>	<u>0</u>	<u>253,797</u>
Operating Loss	<u>(76,221)</u>	<u>(1,544)</u>	<u>0</u>	<u>(77,765)</u>
Nonoperating Revenues (Loss):				
Operating grants	21,815			21,815
Federal commodities	8,337			8,337
Interest revenue	3,449			3,449
Loss on disposal of assets	(450)			(450)
Total Nonoperating Revenues (Loss)	<u>33,151</u>	<u>0</u>	<u>0</u>	<u>33,151</u>
Net Loss	<u>(43,070)</u>	<u>(1,544)</u>	<u>0</u>	<u>(44,614)</u>
Retained earnings, July 1	66,399	4,909	1,522	72,830
Retained earnings, June 30	<u>\$23,329</u>	<u>\$3,365</u>	<u>\$1,522</u>	<u>\$28,216</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	FOOD SERVICE	UNIFORM SCHOOL SUPPLIES	ADULT EDUCATION	TOTAL
Cash flows from operating activities:				
Cash received from sales/charges for services	\$173,809	\$2,298		\$176,107
Cash received from other operations	188			188
Cash payments for personal services	(138,435)		(\$1)	(138,436)
Cash payments for contract services	(886)			(886)
Cash payments for supplies and materials	(88,997)	(2,374)		(91,371)
Net cash used in operating activities	(54,321)	(76)	(1)	(54,398)
Cash flows from noncapital financing activities:				
Cash received from operating grants	21,815			21,815
Cash received from operating transfers	15,000			15,000
Net cash provided by noncapital financing activities	36,815			36,815
Cash flows from investing activities:				
Interest received	3,449			3,449
Net cash provided by investing activities	3,449			3,449
Net decrease in cash and cash equivalents	(14,057)	(76)	(1)	(14,134)
Cash and cash equivalents at beginning of year	68,550	2,012	1,523	72,085
Cash and cash equivalents at end of year	<u>\$54,493</u>	<u>\$1,936</u>	<u>\$1,522</u>	<u>\$57,951</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	(\$76,221)	(\$1,544)		(\$77,765)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	1,658			1,658
Federal donated commodities	8,337			8,337
Changes in assets and liabilities:				
Decrease in supplies inventory	3,362	1,468		4,830
Decrease in accounts receivable	263			263
Increase in accounts payable	498			498
Increase (decrease) in accrued wages and benefits	7,220		(\$1)	7,219
Increase in compensated absences payable	1,613			1,613
Increase in pension obligation payable	668			668
Decrease in deferred revenue	(1,719)			(1,719)
Net cash used in operating activities	<u>(\$54,321)</u>	<u>(\$76)</u>	<u>(\$1)</u>	<u>(\$54,398)</u>
Noncash investing, capital and financing activities:				
Federal donated commodities	<u>\$8,337</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,337</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$173,811	\$173,809	(\$2)
Total operating revenues	<u>173,811</u>	<u>173,809</u>	<u>(2)</u>
Operating expenses:			
Salaries and wages	112,000	101,987	10,013
Fringe benefits	41,200	36,523	4,677
Purchased services	433	963	(530)
Supplies	119,567	113,697	5,870
Total operating expenses	<u>273,200</u>	<u>253,170</u>	<u>20,030</u>
Operating loss	<u>(99,389)</u>	<u>(79,361)</u>	<u>20,028</u>
Nonoperating revenues:			
Advances in	15,000	15,000	0
Operating grants	21,815	21,815	0
Interest revenue	3,449	3,449	0
Other	188	188	0
Total nonoperating revenues	<u>40,452</u>	<u>40,452</u>	<u>0</u>
Net loss	<u>(58,937)</u>	<u>(38,909)</u>	<u>20,028</u>
Fund Equity, July 1	68,116	68,116	0
Prior year encumbrances appropriated	433	433	0
Fund Equity, June 30	<u>\$9,612</u>	<u>\$29,640</u>	<u>\$20,028</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 UNIFORM SCHOOL SUPPLIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$2,298	\$2,298	\$0
Total operating revenues	<u>2,298</u>	<u>2,298</u>	<u>0</u>
Operating expenses:			
Supplies	4,000	2,374	1,626
Total operating expenses	<u>4,000</u>	<u>2,374</u>	<u>1,626</u>
Net loss	<u>(1,702)</u>	<u>(76)</u>	<u>1,626</u>
Fund equity, July 1	2,012	2,012	0
Fund equity, June 30	<u>\$310</u>	<u>\$1,936</u>	<u>\$1,626</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 ADULT EDUCATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Total operating revenues	\$0	\$0	\$0
Operating expenses:			
Salaries and wages	800		800
Fringe benefits	200		200
Total operating expenses	1,000		1,000
Net loss	(1,000)		1,000
Fund equity, July 1	1,523	1,523	0
Fund equity, June 30	\$523	\$1,523	\$1,000

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$176,109	\$176,107	(\$2)
Total operating revenues	<u>176,109</u>	<u>176,107</u>	<u>(2)</u>
Operating expenses:			
Salaries and wages	112,800	101,987	10,813
Fringe benefits	41,400	36,523	4,877
Contract services	433	963	(530)
Supplies	123,567	116,071	7,496
Total operating expenses	<u>278,200</u>	<u>255,544</u>	<u>22,656</u>
Operating loss	<u>(102,091)</u>	<u>(79,437)</u>	<u>22,654</u>
Nonoperating revenues:			
Advances in	15,000	15,000	0
Operating grants	21,815	21,815	0
Interest revenue	3,449	3,449	0
Other	188	188	0
Total nonoperating revenues	<u>40,452</u>	<u>40,452</u>	<u>0</u>
Net loss	<u>(61,639)</u>	<u>(38,985)</u>	<u>22,654</u>
Fund equity, July 1	71,651	71,651	0
Prior year encumbrances appropriated	433	433	0
Fund equity, June 30	<u>\$10,445</u>	<u>\$33,099</u>	<u>\$22,654</u>

INTERNAL SERVICE FUNDS

A fund category used to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended only to recoup the total cost of such services.

Internal Service Rotary Fund

Section 5705.12, Revised Code

A fund provided to account for operations that provide goods or services to other governmental units on a cost-reimbursement basis. The use of the fund may be applied to situations where the district acts as fiscal agent for a multi-district program.

Employee Benefits Self-Insurance Fund

Section 5705.09, Revised Code

A fund provided to account for monies received from other funds as payment for providing medical, hospitalization, life, dental, vision, or any other similar employee benefits. The Employee Benefits Self-Insurance Fund may make payments for services provided to employees, for reimbursements to employees who have paid providers, to third party administrators for claim payment or administration, for stop-loss coverage or for any other reinsurance or other similar purposes.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 JUNE 30, 2001

	INTERNAL SERVICE ROTARY	EMPLOYEE BENEFITS SELF-INSURANCE	TOTAL
Assets:			
Equity in pooled cash and cash equivalents	\$132	\$72,633	\$72,765
Cash with fiscal agent		69,823	69,823
Total Assets	\$132	\$142,456	\$142,588
Liabilities:			
Deferred revenue	\$389		\$389
Claims payable		\$91,357	91,357
Total Liabilities	389	91,357	91,746
Fund Equity:			
Retained earnings/ (Accumulated deficit) - unreserved	(257)	51,099	50,842
Total fund equity	(257)	51,099	50,842
Total Liabilities and Fund Equity	\$132	\$142,456	\$142,588

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS/(ACCUMULATED DEFICIT)
 ALL INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>INTERNAL SERVICE ROTARY</u>	<u>EMPLOYEE BENEFITS SELF-INSURANCE</u>	<u>TOTAL</u>
Operating Revenues:			
Sales/charges for services	\$17,731	\$327,567	\$345,298
Total Operating Revenues	<u>17,731</u>	<u>327,567</u>	<u>345,298</u>
Operating expenses:			
Contract services	5,618		5,618
Materials and supplies	12		12
Other operating expense	13,059		13,059
Claims expense		345,885	345,885
Total operating expenses	<u>18,689</u>	<u>345,885</u>	<u>364,574</u>
Net loss	<u>(958)</u>	<u>(18,318)</u>	<u>(19,276)</u>
Retained earnings, July 1	<u>701</u>	<u>69,417</u>	<u>70,118</u>
Retained earnings/ (Accumulated deficit), June 30	<u>(\$257)</u>	<u>\$51,099</u>	<u>\$50,842</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	INTERNAL SERVICE ROTARY	EMPLOYEE BENEFITS SELF-INSURANCE	TOTAL
Cash flows from operating activities:			
Cash received from sales/charges for services	\$17,472	\$327,777	\$345,249
Cash payments for contract services	(5,618)		(5,618)
Cash payments for claims expenses		(347,285)	(347,285)
Cash payments for supplies and materials	(12)		(12)
Cash payments for other operating expenses	(13,059)		(13,059)
Net cash used in operating activities	(1,217)	(19,508)	(20,725)
Net decrease in cash and cash equivalents	(1,217)	(19,508)	(20,725)
Cash and cash equivalents at beginning of year	1,349	92,141	93,490
Cash and cash equivalents at end of year	\$132	\$72,633	\$72,765
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	(\$958)	(\$18,318)	(\$19,276)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Changes in assets and liabilities:			
Decrease in accounts receivable		210	210
Decrease in claims payable		(1,400)	(1,400)
Decrease in deferred revenue	(259)		(259)
Net cash used in operating activities	(\$1,217)	(\$19,508)	(\$20,725)

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE ROTARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$15,367	\$15,367	\$0
Total operating revenues	<u>15,367</u>	<u>15,367</u>	<u>0</u>
Operating expenses:			
Purchased services	5,698	5,628	70
Supplies	64	12	52
Other operating expenses	12,238	13,059	(821)
Total operating expenses	<u>18,000</u>	<u>18,699</u>	<u>(699)</u>
Operating loss	<u>(2,633)</u>	<u>(3,332)</u>	<u>(699)</u>
Nonoperating revenues:			
Other nonoperating revenues	2,105	2,105	0
Total nonoperating revenues	<u>2,105</u>	<u>2,105</u>	<u>0</u>
Net loss	(528)	(1,227)	(699)
Fund equity, July 1	1,349	1,349	0
Fund equity, June 30	<u>\$821</u>	<u>\$122</u>	<u>(\$699)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 EMPLOYEE BENEFITS SELF-INSURANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$327,776	\$327,777	\$1
Total operating revenues	<u>327,776</u>	<u>327,777</u>	<u>1</u>
Operating expenses:			
Claims expense	350,000	348,284	1,716
Total operating expenses	<u>350,000</u>	<u>348,284</u>	<u>1,716</u>
Net loss	<u>(22,224)</u>	<u>(20,507)</u>	<u>1,717</u>
Fund equity, July 1	92,140	92,140	0
Fund equity, June 30	<u>\$69,916</u>	<u>\$71,633</u>	<u>\$1,717</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$343,143	\$343,144	\$1
Total operating revenues	<u>343,143</u>	<u>343,144</u>	<u>1</u>
Operating expenses:			
Purchased services	5,698	5,628	70
Supplies	64	12	52
Other operating expenses	12,238	13,059	(821)
Claims expense	350,000	348,284	1,716
Total operating expenses	<u>368,000</u>	<u>366,983</u>	<u>1,017</u>
Operating loss	<u>(24,857)</u>	<u>(23,839)</u>	<u>1,018</u>
Nonoperating revenues:			
Other nonoperating revenue	2,105	2,105	0
Total nonoperating revenues	<u>2,105</u>	<u>2,105</u>	<u>0</u>
Net loss	(22,752)	(21,734)	1,018
Fund equity, July 1	93,489	93,489	0
Fund equity, June 30	<u>\$70,737</u>	<u>\$71,755</u>	<u>\$1,018</u>

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

FIDUCIARY FUND TYPES

EXPENDABLE TRUST FUND

Section 5705.09, Revised Code

A fund used to account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds.

NONEXPENDABLE TRUST FUND

Section 5705.09, Revised Code

A fund used to account for money, 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. Such funds are also identified as endowment funds.

AGENCY FUNDS

District Agency Fund

Section 5705.12, Revised Code

A fund used to account for those assets held by a school district as an agent for individuals, private organizations, other governmental units, and/or other funds. In an agency fund, assets equal liabilities, and the fund balance is zero.

Student Managed Activity Fund

Section 3313.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

CUYAHOGA HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUND TYPES
 JUNE 30, 2001

	EXPENDABLE TRUST FUND	NONEXPENDABLE TRUST FUND	AGENCY FUNDS	TOTAL
Assets:				
Equity in pooled cash and cash equivalents	\$2,542		\$39,966	\$42,508
Equity in pooled cash and cash equivalents- nonexpendable trust		\$126,053		126,053
Accounts receivable (Net of allowances for uncollectibles)		1,574		1,574
Total Assets	<u>\$2,542</u>	<u>\$127,627</u>	<u>\$39,966</u>	<u>\$170,135</u>
Liabilities:				
Accounts payable	\$200	\$1,023		\$1,223
Deferred revenue			\$293	293
Due to other governments			5,992	5,992
Due to students			33,681	33,681
Total Liabilities	<u>200</u>	<u>1,023</u>	<u>39,966</u>	<u>41,189</u>
Fund Equity:				
Fund Balance:				
Reserved for encumbrances	500			500
Reserved for principal endowment		117,982		117,982
Reserved for scholarships		8,622		8,622
Unreserved-undesignated	1,842			1,842
Total Fund Equity	<u>2,342</u>	<u>126,604</u>		<u>128,946</u>
Total Liabilities and Fund Equity	<u>\$2,542</u>	<u>\$127,627</u>	<u>\$39,966</u>	<u>\$170,135</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$152	\$152	\$0
Other local revenues	1,120	1,120	0
Total revenues	<u>1,272</u>	<u>1,272</u>	<u>0</u>
Expenditures:			
Community services			
Other	1,150	1,696	(546)
Total community services	<u>1,150</u>	<u>1,696</u>	<u>(546)</u>
Total expenditures	<u>1,150</u>	<u>1,696</u>	<u>(546)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>122</u>	<u>(424)</u>	<u>(546)</u>
Fund balance, July 1	1,616	1,616	0
Prior year encumbrances appropriated	650	650	0
Fund balance, June 30	<u>\$2,388</u>	<u>\$1,842</u>	<u>(\$546)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Investment earnings	\$6,512	\$6,513	\$1
Donations	27,642	27,642	0
Total operating revenues	<u>34,154</u>	<u>34,155</u>	<u>1</u>
Operating expenses:			
Materials and supplies	103		103
Other operating expenses	29,897	4,756	25,141
Total operating expenses	<u>30,000</u>	<u>4,756</u>	<u>25,244</u>
Net income	<u>4,154</u>	<u>29,399</u>	<u>25,245</u>
Fund balance, July 1	96,654	96,654	0
Fund balance, June 30	<u><u>\$100,808</u></u>	<u><u>\$126,053</u></u>	<u><u>\$25,245</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Beginning Balance July 1, 2000	Additions	Deletions	Ending Balance June 30, 2001
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$44,530	\$42,534	\$53,090	\$33,974
Accounts receivable (Net of allowance for uncollectibles)	3,774		3,774	0
Total Assets	<u>\$48,304</u>	<u>\$42,534</u>	<u>\$56,864</u>	<u>\$33,974</u>
Liabilities:				
Accounts payable	\$715		\$715	\$0
Deferred revenue	1,991		1,698	293
Due to Students	45,598	\$42,534	54,451	33,681
Total Liabilities	<u>\$48,304</u>	<u>\$42,534</u>	<u>\$56,864</u>	<u>\$33,974</u>
<u>District Agency</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$7,987	\$2,212	\$4,207	\$5,992
Total Assets	<u>\$7,987</u>	<u>\$2,212</u>	<u>\$4,207</u>	<u>\$5,992</u>
Liabilities:				
Due to other governments	\$7,987	\$2,212	\$4,207	\$5,992
Total Liabilities	<u>\$7,987</u>	<u>\$2,212</u>	<u>\$4,207</u>	<u>\$5,992</u>
<u>All Agency Funds</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$52,517	\$44,746	\$57,297	\$39,966
Accounts receivable (Net of allowance for uncollectibles)	3,774	0	3,774	0
Total Assets	<u>\$56,291</u>	<u>\$44,746</u>	<u>\$61,071</u>	<u>\$39,966</u>
Liabilities:				
Accounts payable	\$715	\$0	\$715	\$0
Deferred revenue	1,991	0	1,698	293
Due to other governments	7,987	2,212	4,207	5,992
Due to students	45,598	42,534	54,451	33,681
Total Liabilities	<u>\$56,291</u>	<u>\$44,746</u>	<u>\$61,071</u>	<u>\$39,966</u>

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

This Page is Intentionally Left Blank.

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets is a balanced group of accounts used to establish control and accountability for the costs of all real property and movable equipment owned by the School Board. The investment in General Fixed Assets is carried until the disposition of the property and ownership is relinquished. Depreciation on fixed assets is not recorded.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ASSET CLASS
JUNE 30, 2001

Function	Land and Improvements	Buildings	Furniture and equipment	Vehicles	Construction in Progress	Total
Instruction:						
Regular			\$779,801			\$779,801
Special			1,726			1,726
Support Services:						
Pupil			595,116			595,116
Instructional staff			157,923			157,923
Administration			41,297			41,297
Fiscal			43,117			43,117
Operations and Maintenance	\$4,602	\$5,424	267,013	\$44,612		321,651
Pupil transportation			6,877	766,666		773,543
Central			6,134			6,134
Community services			84,591			84,591
Extracurricular activities			82,313			82,313
Facilities services	1,930,535	12,909,301	557,788		\$27,893	15,425,517
Total General Fixed Assets	<u>\$1,935,137</u>	<u>\$12,914,725</u>	<u>\$2,623,696</u>	<u>\$811,278</u>	<u>\$27,893</u>	<u>\$18,312,729</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Function	General Fixed Assets July 1, 2000	Increases	(Decreases)	General Fixed assets June 30, 2001
Instruction:				
Regular	\$781,768	\$31,433	(\$33,400)	\$779,801
Special	1,731	67	(72)	1,726
Support Services:				
Pupil	596,616	23,992	(25,492)	595,116
Instructional staff	158,321	6,364	(6,762)	157,923
Administration	41,401	1,669	(1,773)	41,297
Fiscal	43,224	1,736	(1,843)	43,117
Operations and Maintenance	322,462	12,963	(13,774)	321,651
Pupil transportation	775,495	31,181	(33,133)	773,543
Central	6,149	245	(260)	6,134
Community services	84,805	3,411	(3,625)	84,591
Extracurricular activities	82,521	3,315	(3,523)	82,313
Facilities services	15,464,425	621,782	(660,690)	15,425,517
Total General Fixed Assets	<u>\$18,358,918</u>	<u>\$738,158</u>	<u>(\$784,347)</u>	<u>\$18,312,729</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
JUNE 30, 2001

General fixed assets:	
Land and improvements	\$1,935,137
Buildings	12,914,725
Furniture and equipment	2,623,696
Vehicles	811,278
Construction in progress	<u>27,893</u>
 Total General Fixed Assets	 <u><u>\$18,312,729</u></u>

Investment in General Fixed Assets by Source:

Acquisitions since July 1, 1992

General Fund	\$4,793,720
Permanent Improvement Fund	1,054,095
Building Fund	5,439,499
District Managed Student Activity Fund	814,196
Lottery Funds	18,997
SchoolNet Grant Fund	45,301
Security Grant Fund	5,115
Title VI Fund	2,314
Donations	3,532
Student Managed Activity Fund	<u>852</u>
 Total acquisitions since system start-up	 <u>12,177,621</u>

Acquisitions prior to June 30, 1992	<u>6,135,108</u>
 Total investment in General Fixed Assets	 <u><u>\$18,312,729</u></u>

TABLE 1

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
 GENERAL FUND EXPENDITURES BY FUNCTION
 LAST TEN FISCAL YEARS

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992 (1)
Current:										
Instruction:										
Regular	\$4,893,119	\$4,604,228	\$4,593,099	\$4,082,113	\$3,949,883	\$4,400,373	\$4,112,231	\$3,903,461	\$3,787,788	\$3,707,924
Special	409,784	378,425	355,993	157,260	153,877	148,095	144,717	108,695	121,739	218,077
Other	195,940	163,353	109,406	172,621	93,374	78,555	58,514	104,406	115,578	
Support Services:										
Pupil	861,292	777,287	829,054	706,822	593,534	618,866	593,263	534,783	571,589	518,017
Instructional staff	675,335	587,517	499,811	498,905	417,926	437,669	395,582	401,185	382,578	384,165
Board of Education	62,251	38,889	45,722	37,640	27,973	40,592	30,781	24,884	26,768	30,539
Administration	1,069,044	969,105	776,680	487,518	642,371	1,106,895	935,301	862,458	792,152	780,662
Fiscal	514,475	440,326	488,215	401,531	410,106	442,048	413,378	354,852	432,768	409,109
Business	49,187	87,403	85,112	73,413	52,730	66,412	59,973	59,019	49,213	60,211
Operation & maintenance	1,405,558	1,260,194	1,301,003	1,182,946	1,147,083	1,311,873	1,343,936	1,202,726	1,203,592	1,155,957
Pupil transportation	686,819	575,051	546,238	431,048	398,426	421,049	421,159	415,767	483,790	426,196
Central	31,712	25,653	29,692	31,216	48,270	47,707	51,165	86,827	63,738	99,933
Community services	110,421	74,520	69,409	39,545	10,454	34,992	49,127	47,718	46,884	
Extracurricular activities	430,768	376,700	427,571	339,571	288,774	286,731	281,504	260,796	228,872	178,513
Intergovernmental										88,770
Miscellaneous								1,094	765,974	
Facilities services	75,326	313,177	228,671	236,752		15,890	11,094			
Capital outlay	27,395			140,562	113,890					267,658
Debt service	45,034	44,665	44,666	132,733	18,519	20,201	20,201	17,670	16,734	
Total	\$11,543,460	\$10,716,493	\$10,430,342	\$9,152,196	\$8,367,190	\$9,477,948	\$8,921,926	\$8,386,341	\$9,089,757	\$8,325,731

Source: School district financial records

(1) Fiscal year 1992 is reported on a cash basis; all other fiscal years are reported on a GAAP basis.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992 (1)
Taxes	\$10,759,249	\$10,537,052	\$11,344,659	\$9,256,357	\$8,030,003	\$7,981,911	\$7,354,976	\$7,508,156	\$8,298,477	\$7,498,867
Earnings on investments	785,466	345,136	279,751	256,303	238,452	248,548	362,711	144,279	207,731	299,622
Tuition	34,855	48,789	3,650	4,030	2,275	8,943	10,857	13,704	9,994	
Other local revenues	32,208	37,342	35,489	82,820	33,200	11,615	34,222	21,201	19,642	33,677
Revenue from intermediate sources	105,780	86,196	81,367	108,987		13,123	62,912	166		
Intergovernmental	989,221	1,040,656	952,063	749,174	727,364	562,731	495,254	195,950	845,832	463,477
Total	\$12,706,779	\$12,095,171	\$12,696,979	\$10,457,671	\$9,031,294	\$8,826,871	\$8,320,932	\$7,883,456	\$9,381,676	\$8,295,643

Source: School district financial records

(1) Fiscal year 1992 is reported on a cash basis; all other fiscal years are reported on a GAAP basis.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY REAL PROPERTY TAXES (1)

LAST TEN CALENDAR YEARS

Year(2)	Current Taxes Levied	Delinquent Levy(3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
2000	\$6,643,384	\$333,118	\$6,976,502	\$6,366,637	95.83%	\$249,680	\$6,616,317	94.84%
1999	6,536,875	145,980	6,682,855	6,337,307	96.95%	102,201	6,439,508	96.36%
1998	6,407,914	174,617	6,582,531	6,279,194	97.99%	109,320	6,388,514	97.05%
1997	4,879,747	82,711	4,962,458	4,722,461	96.78%	40,479	4,762,940	95.98%
1996	4,878,788	224,266	5,103,054	4,817,664	98.75%	151,323	4,968,987	97.37%
1995	4,849,757	220,002	5,069,759	4,552,148	93.86%	110,335	4,662,483	91.97%
1994	4,670,452	202,805	4,873,257	4,584,216	98.15%	82,026	4,666,242	95.75%
1993	4,651,757	171,138	4,822,895	4,475,898	96.22%	108,527	4,584,425	95.06%
1992	4,279,568	124,580	4,404,148	4,171,251	97.47%	67,867	4,239,118	96.25%
1991	3,699,118	164,077	3,863,195	3,614,265	97.71%	116,193	3,730,458	96.56%

Source: Cuyahoga County Auditor. The data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

(1) Includes state-mandated tax-reduction amounts, which are subsequently reimbursed to the District by the State, and reported as Intergovernmental revenue.

(2) Represents the collection year. 2001 information cannot be presented because all collections have not been made as of the District's June 30 fiscal year end.

(3) This amount cannot be calculated from other data in this table because of retroactive additions and deletions.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS

Tax Collection Year	Agricultural and Residential Real Estate	Other Real Estate	General Tangible		Public Utility Tangible		Total Assessed Value	Estimated Actual Value (1)	Assessed Value as a % of Actual Value
			Personal Property	Personal Property	Personal Property	Personal Property			
2001	\$80,632,990	\$183,759,740	\$227,216,434	\$48,671,460	\$540,280,624	1,719,582,013	31.42%		
2000	72,320,520	167,184,270	225,461,771	45,215,580	510,182,141	1,637,527,825	31.16%		
1999	71,785,000	157,393,180	217,943,263	49,539,070	496,660,513	1,582,862,250	31.38%		
1998	71,589,200	154,789,810	208,115,925	48,201,880	482,696,815	1,534,035,735	31.47%		
1997	65,200,600	144,988,870	188,469,099	47,373,720	446,032,289	1,408,251,512	31.67%		
1996	64,709,840	144,785,120	181,935,118	47,352,670	438,782,748	1,380,107,353	31.79%		
1995	63,428,830	144,013,740	185,673,212	47,735,500	440,851,282	1,389,630,792	31.72%		
1994	56,281,990	142,364,160	171,090,938	49,799,370	419,536,458	1,308,514,374	32.06%		
1993	54,399,300	141,952,170	182,365,640	48,422,130	427,139,240	1,345,491,908	31.75%		
1992	53,023,770	138,070,620	198,010,473	47,728,890	436,833,753	1,392,263,238	31.38%		

Source: Cuyahoga County Auditor. The data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

(1) This amount is calculated based on the following percentages for tax year 2000:

Real property is assessed at 35% of actual value.

General tangible personal property is assessed at 25% of actual value

Public utility tangible personal property is assessed at 88% of actual value.

TABLE 5

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN CALENDAR YEARS

Year	School Levy	Cuyahoga Valley JVS	County Levy	Village Levies	Total Levy	Amount of Debt Service Included in Total Levy			
						School	County	Villages	Total
2000									
Village of Brooklyn Hts.	\$23.80	\$2.00	\$17.60	\$4.40	\$47.80	\$0.90	\$0.27	\$0.00	\$1.17
Village of Cuyahoga Hts.	23.80	2.00	17.60	4.40	47.80	0.90	0.27	0.00	1.17
Village of Valley View	23.80	2.00	17.60	7.10	50.50	0.90	0.27	0.00	1.17
1999									
Village of Brooklyn Hts.	23.90	2.00	16.70	4.40	47.00	1.00	0.27	0.00	1.27
Village of Cuyahoga Hts.	23.90	2.00	16.70	4.40	47.00	1.00	0.27	0.00	1.27
Village of Valley View	23.90	2.00	16.70	7.10	49.70	1.00	0.27	0.00	1.27
1998									
Village of Brooklyn Hts.	23.90	2.00	18.00	4.40	48.30	1.00	0.27	0.00	1.27
Village of Cuyahoga Hts.	23.90	2.00	18.00	4.40	48.30	1.00	0.27	0.00	1.27
Village of Valley View	23.90	2.00	18.00	7.10	51.00	1.00	0.27	0.00	1.27
1997									
Village of Brooklyn Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	18.00	7.10	46.10	0.00	0.27	0.00	0.27
1996									
Village of Brooklyn Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	18.00	7.10	46.10	0.00	0.27	0.00	0.27
1995									
Village of Brooklyn Hts.	19.00	2.00	18.20	4.40	43.60	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	18.20	4.40	43.60	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	18.20	7.10	46.30	0.00	0.27	0.00	0.27
1994									
Village of Brooklyn Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	17.80	7.10	45.90	0.00	0.27	0.00	0.27
1993									
Village of Brooklyn Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	17.80	7.10	45.90	0.00	0.27	0.00	0.27
1992									
Village of Brooklyn Hts.	18.00	2.00	17.80	4.40	42.20	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	18.00	2.00	17.80	4.40	42.20	0.00	0.27	0.00	0.27
Village of Valley View	18.00	2.00	17.80	7.10	44.90	0.00	0.27	0.00	0.27
1991									
Village of Brooklyn Hts.	17.50	2.00	17.80	4.40	41.70	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	17.50	2.00	17.80	4.40	41.70	0.00	0.27	0.00	0.27
Village of Valley View	17.50	2.00	17.80	7.10	44.40	0.00	0.27	0.00	0.27

Source: Cuyahoga County Auditor. The data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Year	Net General Obligation Bonded Debt (1)	Assessed Value	Population (2)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
2001	\$3,884,210	\$540,280,624	4,799	0.72%	\$809
2000	4,308,617	510,182,141	4,585	0.84%	\$940
1999	4,697,198	496,660,513	4,212	0.95%	1,115
1998	5,091,823	482,696,815	4,281	1.05%	1,189
1997	5,433,661	446,032,289	4,337	1.22%	1,253
1996	4,359,761	438,782,748	4,333	0.99%	1,006
1995	4,560,321	440,851,282	4,381	1.03%	1,041
1994	4,721,722	419,536,436	4,382	1.13%	1,078
1993	4,832,226	427,139,240	4,365	1.13%	1,107
1992	0	436,833,753	4,269	0.00%	0

Source: Cuyahoga County Auditor and School District Financial Records

(1) In the past ten fiscal years, there has been no general obligation bonded debt applicable to the Enterprise funds.

(2) Years 2001 and 199-1992 are estimated by the Villages of Brooklyn Heights, Cuyahoga Heights, and Valley View; 2000 is actual, per the U.S. Census Bureau.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2001

	Total Voted Debt Limit (1)	Total Unvoted Debt Limit (2)	Total Energy Conservation Debt Margin (3)
Assessed Valuation Collection Year 2000	\$540,280,624	\$540,280,624	\$540,280,624
Debt Limitation	48,625,256	540,281	4,862,526
Total Outstanding Debt:			
Construction Bonds	3,585,000	3,585,000	3,585,000
Energy Conservation Loan	783,785	783,785	783,785
Total Outstanding Debt	4,368,785	4,368,785	4,368,785
Exemptions:			
Construction Bonds		(3,585,000)	(3,585,000)
Energy Conservation Loan	(783,785)	(783,785)	
Total Exemptions	(783,785)	(4,368,785)	(3,585,000)
Less: Amount available in Debt Service fund	(484,575)	0	0
Net Debt Subject to Limitation	3,100,425	0	783,785
Total Legal Debt Margin (Debt Limitation Minus Net Debt Subject to Limitation)	\$45,524,831	\$540,281	\$4,078,741

Source: School District Financial Records

- (1) The legal voted debt margin for school districts in Ohio is 9% of the assessed valuation.
- (2) The legal unvoted debt margin for school districts in Ohio is 1/10 of 1% of the assessed valuation.
The District has no unvoted debt subject to the legal debt margin.
- (3) The legal debt margin for energy conservation loans for school districts in Ohio is 0.9% of the assessed valuation.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

DECEMBER 31, 2000

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to the School District (1)	Amount Applicable to the School District
<u>Direct:</u>			
Cuyahoga Heights Local School District	\$4,368,785	100.00%	\$4,368,785
Total Direct	<u>4,368,785</u>		<u>4,368,785</u>
<u>Overlapping:</u>			
Brooklyn Heights Village	1,060,000	19.80%	209,880
Cuyahoga Heights Village	0	NA	0
Valley View Village	6,905,000	34.90%	2,409,845
RTA (2)	98,030,000	1.89%	1,852,767
Cuyahoga County	231,044,636	1.89%	4,366,744
Total Overlapping:	<u>337,039,636</u>		<u>8,839,236</u>
Grand Total Direct and Overlapping	<u><u>\$341,408,421</u></u>		<u><u>\$13,208,021</u></u>

Source: Cuyahoga County Auditor. Cuyahoga Heights Village has no general obligation debt outstanding.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the political subdivision. The valuations used were for the 2000 tax collection year.

(2) Regional Transit Authority of Cuyahoga County

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN FISCAL YEARS

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Debt Service Expenditures As a Percent of General Fund Expenditures
2001	\$339,495	\$251,816	\$591,311	\$11,543,460	5.12%
2000	322,907	278,695	601,602	10,716,493	5.61%
1999	306,642	299,818	606,460	10,430,342	5.81%
1998	295,685	313,079	608,764	9,152,196	6.65%
1997	306,486	298,933	605,419	8,367,190	7.24%
1996	165,000	259,500	424,500	9,477,948	4.48%
1995	160,000	264,543	424,543	8,921,926	4.76%
1994	155,000	336,600	491,600	8,386,341	5.86%
1993	0	0	0	9,089,757	N/A
1992	0	0	0	8,325,731	N/A

Source: School District Financial Records

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

DEMOGRAPHIC STATISTICS

LAST TEN CALENDAR YEARS

Year	Population (1)			Value of New Building Permits				Median Income (2)	
	Cuyahoga County	Village of Brooklyn Heights	Village of Cuyahoga Heights	Village of Valley View	Village of Brooklyn Heights	Village of Cuyahoga Heights	Village of Valley View	District	State
2000	1,393,978	1,800	599	2,400	\$2,357,993	\$1,025,665	\$14,981,900	\$33,215	\$28,821
1999	1,371,717	1,600	585	2,400	4,756,972	4,354,400	4,094,378	33,215	29,363
1998	1,380,696	1,445	626	2,141	3,432,178	10,271,000	16,834,200	31,097	27,310
1997	1,399,272	1,482	648	2,151	3,294,184	19,133,290	7,993,733	27,061	24,431
1996	1,399,272	1,482	648	2,207	5,832,330	6,550,200	9,305,722	27,061	24,588
1995	1,413,348	1,459	667	2,207	6,888,674	4,324,600	5,666,539	24,373	23,478
1994	1,413,348	1,459	667	2,255	2,733,776	2,098,987	3,283,272	24,905	23,361
1993	1,415,825	1,447	680	2,255	4,135,919	5,642,065	5,783,044	N/A	N/A
1992	1,415,825	1,447	680	2,238	932,350	14,035,791	12,955,000	N/A	N/A
1991	1,412,140	1,450	682	2,137	1,367,520	3,444,253	8,401,000	N/A	N/A

Source: Villages of Brooklyn Heights, Cuyahoga Heights, and Valley View and Ohio Department of Development, Office of Strategic Research

(1) 2000 is actual, per U.S. Census Bureau, all other years are estimated

(2) Department of Taxation, State of Ohio

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

PROPERTY VALUE, COUNTY UNEMPLOYMENT RATE, AND FINANCIAL INSTITUTION DEPOSITS
LAST TEN CALENDAR YEARS

<u>YEAR (1)</u>	<u>Estimated Actual Property Value (Real Property Only)</u>	<u>Unemployment Rate Cuyahoga County</u>	<u>Financial Institution Deposits</u>
2000	\$755,407,800	4.6%	\$61,942,764
1999	684,299,400	4.6%	60,198,073
1998	654,794,800	4.5%	58,904,596
1997	646,797,171	4.9%	53,941,971
1996	600,541,343	4.7%	27,068,211
1995	598,557,029	4.9%	22,694,304
1994	592,693,057	5.3%	21,101,872
1993	567,560,429	7.6%	21,998,821
1992	561,004,200	6.3%	19,379,203
1991	545,983,971	5.2%	18,392,143

Source: Cuyahoga County Auditor; Federal Reserve Bank of Cleveland; Ohio Department of Development.

(1) The data is presented on a calendar tax levy year basis in order to correspond to the County's fiscal year.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
 DECEMBER 31, 2000

Taxpayer	Nature of Business	Assessed Valuation (1)		Combined Tangible and Real Assessed Valuation	Assessed Valuation As a Percent of Total Assessed Valuation
		Real Estate	Tangible Property		
Cleveland Electric Illuminating	Electric utility	\$104,930,560		\$104,930,560	19.42%
Duke Realty	Real estate	35,435,030		35,435,030	6.56%
Ohio Bell Telephone	Telephone utility	22,894,680		22,894,680	4.24%
Summit Office Park	Office buildings	18,811,050		18,811,050	3.48%
LTV Steel Company, Inc.	Steel production	13,267,490	\$27,685,980	40,953,470	7.58%
Aluminum Company of America, Inc.	Aluminum and titanium forgings	5,086,250	26,694,420	31,780,670	5.88%
American Steel and Wire	Rods and steel wire	4,193,210	22,580,260	26,773,470	4.96%
Gibraltar Strip Steel, Inc.	Steel production	1,044,160	9,768,440	10,812,600	2.00%
North America Mfg. Company	Combustion boilers	2,159,990	5,249,213	7,409,203	1.37%
East Gas of Ohio	Gas utility	12,425,870		12,425,870	2.30%
Rockside 77 Properties	Real estate development	11,151,880		11,151,880	2.06%
CA II IJC	Real estate development	7,892,470		7,892,470	1.46%
BF Goodrich	Automotive services	7,631,260		7,631,260	1.41%
HUB Valley Realty	Real estate	7,021,600		7,021,600	1.30%
Capreit Royaltion	Real estate development	6,392,720		6,392,720	1.19%
Total, principal taxpayers' Assessed valuation		\$260,338,220	\$91,978,313	\$352,316,533	65.21%
Total assessed valuation of The School District		\$264,392,730	\$275,887,894	\$540,280,624	

Source: Cuyahoga County Auditor

(1) Assessed values are for 2000

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS

<u>YEAR</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
2001	\$11,543,460	839	\$13,759
2000	10,716,493	833	12,865
1999	10,430,342	840	12,417
1998	9,152,196	835	10,961
1997	8,367,190	836	10,009
1996	9,477,948	833	11,378
1995	8,921,926	836	10,672
1994	8,386,341	802	10,457
1993	9,089,757	792	11,477
1992	8,325,731	790	10,539

Source: School District Financial Records

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

TEACHER EDUCATION AND EXPERIENCE

JUNE 30, 2001

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total Teachers</u>
Bachelor's Degree	11	18.03%
Bachelor's Degree plus 18 hours	15	24.59%
Bachelor's Degree plus 30 hours	1	1.64%
Master's Degree	20	32.79%
Master's Degree plus 18 hours	13	21.31%
Ed.D.	1	1.64%
Total number of teachers	<u>61</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total Teachers</u>
0 to 5	17	27.87%
6 to 10	7	11.48%
11 to 20	18	29.51%
21 and over	19	31.14%
Total number of teachers	<u>61</u>	<u>100.00%</u>

Source: School District Personnel Records

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

AVERAGE ACT SCORES

LAST TEN FISCAL YEARS

School Year	School District English	School District Reading	School District Math	School District Science	School District Composite	School District Number Tested	Average of the State of Ohio	National Average
2000-01	22.4	23.4	22.9	22.9	23.1	52.0	21.4	21.0
1999-00	22.0	23.4	22.0	22.9	22.8	44.0	21.4	21.0
1998-99	21.0	24.5	24.3	24.3	24.2	45	21.4	21.0
1997-98	21.0	22.5	22.2	21.9	22.1	58	21.4	21.0
1996-97	21.0	20.9	20.8	21.1	20.7	64	21.3	21.0
1995-96	20.9	21.6	22.6	21.7	21.8	50	21.3	20.9
1994-95	20.8	22.0	21.5	N/A	21.8	59	21.2	20.8
1993-94	20.8	21.9	22.4	N/A	22.1	22	21.2	20.8
1992-93	20.7	22.9	21.3	N/A	20.9	35	21.0	20.7
1991-92	20.6	21.7	20.7	N/A	21.3	42	20.9	20.6

Source: American College Testing Program and School District Records

This Page is Intentionally Left Blank.

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
JANUARY 22, 2002**