

Comprehensive  
Annual Financial Report

of the

**Cuyahoga Heights, Ohio  
Local School District**

Cuyahoga County, Ohio

For the Fiscal Year Ended June 30, 2008

Prepared by  
Treasurer's Department  
Michael A. Rock, CPA, Treasurer

4820 East 71<sup>st</sup> Street, Cuyahoga Heights, OH. 44125





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Heights Local School District, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 10, 2009

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**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2008*  
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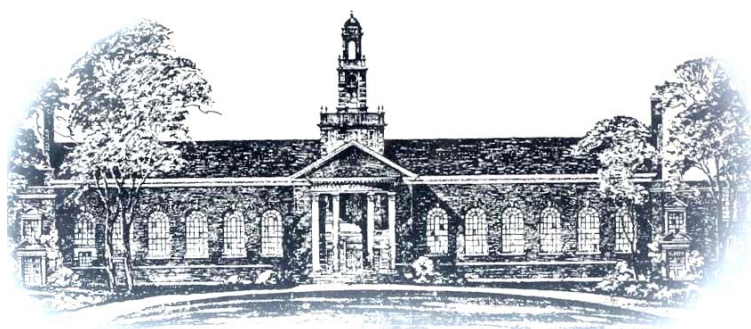
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## **CUYAHOGA HEIGHTS SCHOOLS**

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December 29, 2008

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

State law requires that every School district as a local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rea & Associates, Inc., Certified Public Accountants, have issued an unqualified (“clean”) opinion on Cuyahoga Heights Local School District financial statements for the fiscal year ended June 30, 2008. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. Please refer to the Management Discussion and Analysis Section for in-depth descriptions and explanations on the financial results of fiscal year 2008 and management’s analysis for the future financial horizon of the District. The Statistical Section of the report will also contain historical information on the demographics of the District.

### **Background Information on the School District**

The Cuyahoga Heights Local School District is one of 610 public school districts in the State of Ohio and one of 31 public school districts in Cuyahoga County. The District is an independent school district. In fiscal year 2008, the district provided education to approximately 872 students in grades K-12, with projected enrollment in the upcoming fiscal years expected to remain fairly consistent with current enrollment. A half-day class for pre-school children is also provided. The district offers programs in general education, special education, vocational education, advanced placement, various extracurricular programs and has an extensive guidance program for students.

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

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



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

### **The Reporting Entity**

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

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

### **Financial Condition**

The majority of the tax valuation for the District is industrial and other manufacturing / business property. As a result, the major source of revenue for the District is local taxes from commercial property and personal tangible property of businesses. The District currently has a healthy five year forecast with four of the next fiscal years projected with a positive ending fund balance on the cash basis of accounting for the General Fund. However, the district has various financial challenges that are listed in the MD&A section. The financial challenges section in the MD&A also describes management's initiatives to counter act the financial challenges. The local economy is currently in an eroding tax base due to a bankruptcy by one of the largest taxpayers in the District. The property has since been purchased by multiple companies that are initiating new business, but the decrease is still evident in the tax valuation of the District. All in all, the District continues to be a commercial hub with three times the number of residents traveling into the district to work. Fiscal year 2008 was another year where, on the cash basis and full accrual basis of accounting, that the District spent less than total revenues and preserved a carryover fund balance within the General Fund.

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

### **Long-term Financial Planning**

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

The District is proactive in planning for the future. The five-year forecast is analyzed and adjusted as major events occur in addition to the minimum reporting requirements of October and May. In addition, the District develops its spending plan based on the projections in the five year forecast. The appropriations on the Uniform Accounting State Software System are tied to the five year forecast for the General Fund and Bond Fund activity.

### **Relevant Financial Policies**

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

### **Major Initiatives**

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

The seven Academic Strategic Plan Goals are as follows.

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

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

### **Awards and Acknowledgements**

The District received many awards and acknowledgements during fiscal year 2008 which are described in further detail below.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cuyahoga Heights Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) has awarded a Certificate of Excellence in Financial Reporting to the Cuyahoga Heights Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. The award is granted only after an extensive review of the report by an expert panel of Certified Public Accountants and practicing school business officials. We believe that our current CAFR will again meet the Certificate of Excellence program's requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

The Auditor of State, Mary Taylor CPA, awarded the District with the "Making Your Tax Dollars Count Award" for fiscal year 2007. Fewer than 5 percent of all Ohio government agencies receive this award.

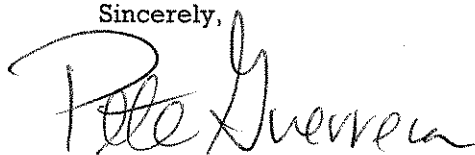
The Cuyahoga Heights High School, Middle School and Elementary School were all awarded the Blue Ribbon Schools of Excellence distinction. With each school a Blue Ribbon School of Excellence, the Cuyahoga Heights School District has the unique distinction of each school in the District being recognized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

All five Board Members were awarded certificates for "Award of Achievement", "Board Leadership Academy" and/or the "Master Board Member Achievement Award" from the Ohio School Board Association in the 2008 fiscal year. The District was the only Board of Education in the State of Ohio for fiscal year 2008 where all five Board Members received the OSBA awards. These awards are based on the number of points earned through attendance at seminars related to School Business or service in various capacities as a Board member.

Various other awards for the school district include the following awards and recognition listed as follows. Newsweek magazine ranked Cuyahoga Heights High School in the top 1,300 high schools out of 35,000 schools nationwide for the fourth year in a row. The District received an "Excellence Rating" by the State Department of Education for the seventh year in a row. The district received the prestigious "Best 100 Communities for Music Education in America for the second year in a row. The Food Service Program was awarded the Governor's Gold Medal Award from "Buckeye Best" for promoting wellness and offering nutritious meals in a healthy eating environment. Also, the high school and middle school were one of only a handful of schools awarded the "Harold A. Meyer Sportsmanship Award" by the Ohio School Athletic Association in fiscal year 2008, for the fourth year in a row. Last but not least, the District was selected for the ninth year in a row to showcase "Student Achievement" at the Ohio School Boards Association in Columbus during fiscal year 2008.

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

Sincerely,



Peter P. Guerrero  
Superintendent



Michael A. Rock, CPA  
Treasurer

# **Cuyahoga Heights Local School District**

## **List of Principal Officials**

June 30, 2008

### **Board of Education**

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

### **Treasurer**

Mr. Michael A. Rock, CPA

### **Administration**

Mr. Peter P. Guerrera – Superintendent



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cuyahoga Heights Local  
School District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

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



*Oliver S. Cox*

President

*Jeffrey R. Emery*

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**CUYAHOGA HEIGHTS SCHOOLS**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2007

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

*James E. Brundel*

President

*John D. McQuinn*

Executive Director



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*

December 29, 2008

The Board of Education  
Cuyahoga Heights Local School District  
4820 East 71<sup>st</sup> Street  
Cuyahoga Heights, OH 44125

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cuyahoga Heights Local School District (the School District), as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2008 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the



internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Rea & Associates, Inc.*

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*

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The Management's Discussion and Analysis of the Cuyahoga Heights Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2008 are as follows:

- In total, net assets of governmental activities increased \$1,479,392 which represents a 13.6 percent increase from fiscal year 2007. This increase is primarily due to the accumulation of prior period year end positive fund balances as a result of spending less than total revenues and the capitalization of approximately one million dollars in House Bill 264 energy building permanent improvements.
- General revenues accounted for \$17,032,440 in revenue or 94.4 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,003,804 or 5.6 percent of total revenues of \$18,036,244.
- The District had \$16,556,852 in expenses related to governmental activities; only \$1,003,804 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$17,032,440 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the permanent improvement capital projects fund. The general fund balance increased \$279,105, or 3.7 percent during the fiscal year due to spending less than total revenues. The permanent improvement fund balance decreased \$355,791 or 62.1 percent due to the completion of large multi-year permanent improvement projects associated with technology (High School Lap Top program and classroom smart boards).

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*

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**Reporting the District as a Whole**

***Statement of Net Assets and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2008?" The Statement of Net Assets and the Statement of Activities helps to answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

The District's statement of net assets and statement of activities can be found on pages 14 and 15 of this report.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

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

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 16 through 20 of this report.

***Proprietary Funds***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*

service fund accounts for insurance benefits. The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

**Reporting the District's Fiduciary Responsibilities**

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

**Notes to the Basic Financial Statements**

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

**The District as a Whole**

The Statement of Net Assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets for fiscal year 2008 and 2007.

	<b>Net Assets</b>		
	Governmental Activities 2008	(Restated) Governmental Activities 2007	Increase (Decrease)
<b><u>Assets</u></b>			
Current and other assets	\$21,364,040	\$21,516,129	(\$152,089)
Capital assets	6,664,375	5,325,950	1,338,425
<b>Total assets</b>	<b>28,028,415</b>	<b>26,842,079</b>	<b>1,186,336</b>
<b><u>Liabilities</u></b>			
Current liabilities	10,260,648	11,355,515	(1,094,867)
Long-term liabilities	5,393,970	4,592,159	801,811
<b>Total liabilities</b>	<b>15,654,618</b>	<b>15,947,674</b>	<b>(293,056)</b>
<b><u>Net Assets</u></b>			
Invested in capital assets, net of related debt	2,921,927	2,427,998	493,929
Restricted	1,416,673	1,679,137	(262,464)
Unrestricted	8,035,197	6,787,270	1,247,927
<b>Total net assets</b>	<b>\$12,373,797</b>	<b>\$10,894,405</b>	<b>\$1,479,392</b>

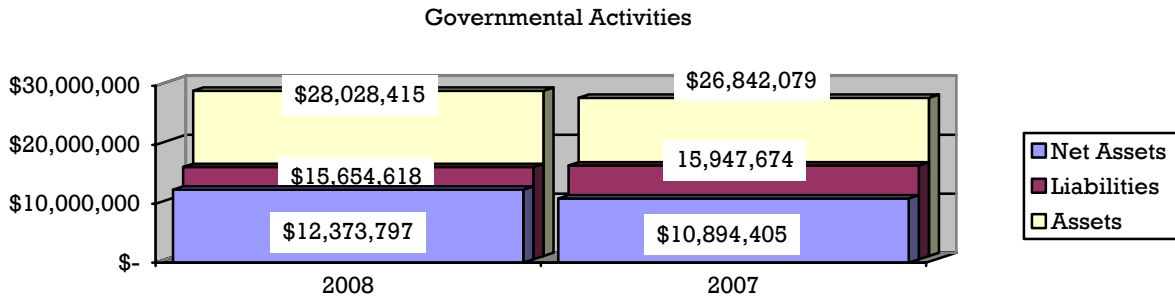
**Cuyahoga Heights Local School District**  
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*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by \$12,373,797 and unrestricted net assets were \$8,035,197. The increase in net assets is primarily due to an accumulation of year end fund balances due to spending less than total annual revenues and the capitalization of HB264 capital improvements and purchases of technology equipment, and a reduction in outstanding long-term debt from the prior year.

At year-end, capital assets represented 23.8 percent of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2008, were \$2,921,927. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$1,416,673, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$8,035,197 may be used to meet the District's ongoing obligations to the students and creditors.



The table below shows the change in net assets for fiscal year 2008 and 2007.

	Change in Net Assets		
	Governmental Activities 2008	(Restated) Governmental Activities 2007	Increase (Decrease)
<b>Revenues</b>			
Program revenues:			
Charges for services and sales	\$856,994	\$727,651	\$129,343
Operating grants and contributions	138,246	129,954	8,292
Capital grants and contributions	8,564	4,104	4,460
General revenues:			
Property taxes	12,825,107	11,633,228	1,191,879
Grants and entitlements	3,623,298	2,613,134	1,010,164
Investment earnings	519,398	590,666	(71,268)
Miscellaneous	63,353	77,574	(14,221)
Gain on Sale of Capital Assets	1,284	0	1,284
<b>Total revenues</b>	<b>18,036,244</b>	<b>15,776,311</b>	<b>2,259,933</b>

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**Change in Net Assets**

	Governmental Activities 2008	(Restated) Governmental Activities 2007	Increase (Decrease)
<b>Expenses</b>			
Program expenses:			
Instruction:			
Regular	\$5,794,544	\$6,156,227	(\$361,683)
Special	918,337	825,587	92,750
Other	511,308	465,390	45,918
Support services:			
Pupil	1,404,783	1,453,779	(48,996)
Instructional staff	706,863	708,825	(1,962)
Board of education	70,736	60,436	10,300
Administration	1,439,936	1,477,953	(38,017)
Fiscal	562,305	630,950	(68,645)
Business	137,018	123,027	13,991
Operations and maintenance	2,136,883	2,150,284	(13,401)
Pupil transportation	914,736	871,818	42,918
Central	501,819	70,720	431,099
Operations of non-instructional services	132,732	137,234	(4,502)
Food service operations	329,448	866,657	(537,209)
Extracurricular activities	889,491	296,721	592,770
Interest and fiscal charges	105,913	41,447	64,466
<b>Total expenses</b>	<b>16,556,852</b>	<b>16,337,055</b>	<b>219,797</b>
<b>Change in net assets</b>	<b>1,479,392</b>	<b>(560,744)</b>	<b>2,040,136</b>
<b>Net assets at beginning of year</b>	<b>10,894,405</b>	<b>11,455,149</b>	<b>(560,744)</b>
<b>Net assets at end of year</b>	<b>\$12,373,797</b>	<b>\$10,894,405</b>	<b>\$1,479,392</b>

**Governmental Activities**

Net assets of the District's governmental activities increased \$1,479,392. This increase is primarily due to an increase in total revenues of \$2,259,933, as well as a reduction in outstanding long-term debt and compensated absences payable from the previous fiscal year. The increase in total revenues compared to the prior year is due to a bankruptcy write off in the prior year by a major taxpayer in the District. The taxpayer has been replaced by multiple businesses where the district collects taxes upon. Total governmental expenses of \$16,556,852 were offset by program revenues of \$1,003,804 and general revenues of \$17,032,440. Program revenues supported 6.1 percent of the total governmental expenses.

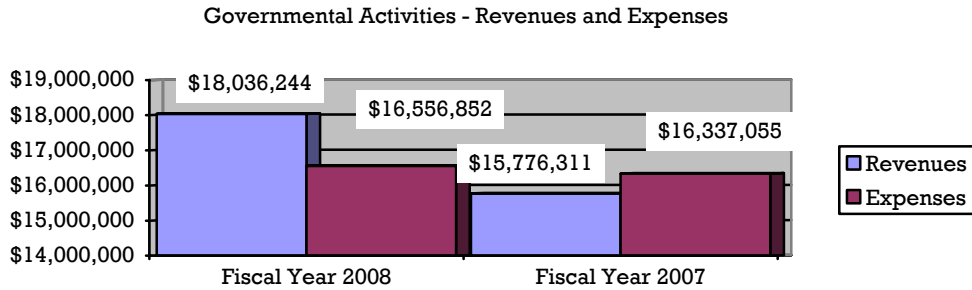
The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 91.2 percent of total governmental revenue. Real estate property is reappraised every six years.

The largest expense of the District is for support services, which totaled \$7,875,079, or 47.6 percent of total governmental expenses. Instruction expenses totaled \$7,224,189, or 43.6 percent of total governmental expenses for fiscal 2008.

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The graph below presents the District's governmental activities revenue and expenses for fiscal year 2008 and 2007.



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

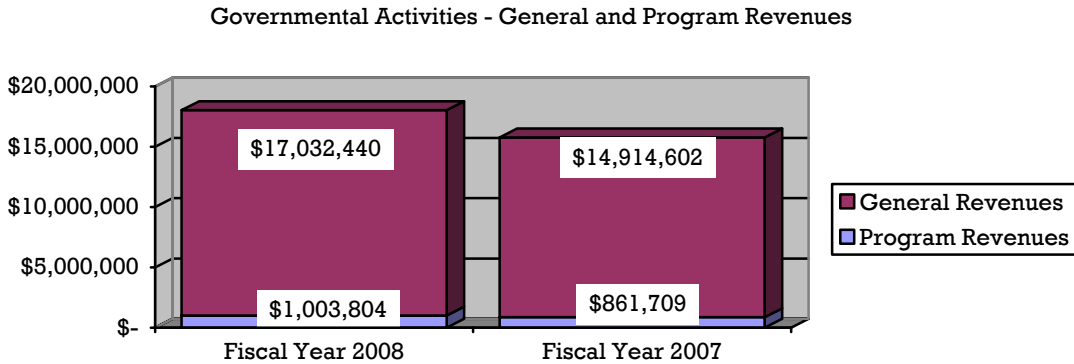
	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2008	2008	2007	2007
<b>Program expenses</b>				
Instruction:				
Regular	\$5,794,544	\$5,602,216	\$6,156,227	\$5,997,174
Special	918,337	848,387	825,587	765,414
Other	511,308	494,264	465,390	453,142
Support services:				
Pupil	1,404,783	1,323,849	1,453,779	1,393,225
Instructional staff	706,863	659,472	708,825	659,716
Board of education	70,736	68,371	60,436	58,845
Administration	1,439,936	1,391,845	1,477,953	1,439,066
Fiscal	562,305	543,571	630,950	614,450
Business	137,018	131,712	123,027	120,165
Operations and maintenance	2,136,883	2,084,901	2,150,284	2,108,875
Pupil transportation	914,736	883,556	871,818	846,533
Central	501,819	479,525	70,720	56,366
Operations of non-instructional services	132,732	129,068	137,234	135,016
Food service operations	329,448	31,749	866,657	758,453
Extracurricular activities	889,491	774,649	296,721	27,459
Interest and fiscal charges	105,913	105,913	41,447	41,447
<b>Total expenses</b>	<b>\$16,556,852</b>	<b>\$15,553,048</b>	<b>\$16,337,055</b>	<b>\$15,475,346</b>

For fiscal year 2008, general revenue supported 100 percent of all the District's expenses. The dependence upon property tax to support the governmental activities of the District is apparent as they account for more than 71 percent of all the District's revenues. The District's taxpayers, as a whole, are by far the primary support for the District's students.

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The graph below presents the District's governmental activities revenue for fiscal year 2008 and 2007.



**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of \$9,219,230, which is higher than last year's restated total of \$9,208,563 by less than 1 percent. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	Fund Balance June 30, 2008	(Restated) Fund Balance June 30, 2007	Increase (Decrease)
General	\$7,829,926	\$7,550,821	\$279,105
Permanent Improvement	217,064	572,855	(355,791)
Other Governmental	1,172,240	1,084,887	87,353
<b>Total</b>	<b>\$9,219,230</b>	<b>\$9,208,563</b>	<b>\$10,667</b>

**General Fund**

During fiscal year 2008, the District's general fund balance increased by \$279,105 even though total revenues within the general fund decreased by \$196,245 and expenditures increased by \$836,601. The primary reason for this increase is that decreasing revenues still exceeded increased expenditures. In addition, the District has been balancing its budget by spending less than total revenues over the past three years. Various major expenditure savings policies have been applied to the District's budget with great success. The District has utilized various phases of energy conservation permanent improvements that decrease utility expenditures and yet maintain the buildings. House Bill 264 for the State of Ohio offers low cost financing for governments and the program requires an extensive analysis of verifiable savings that are audited annually to confirm energy savings. The first phase ten years ago saved the District \$1.6 million. The most recent four years of utility expenditures have remained relatively flat in comparison to the current industry trends of substantial rising costs for utilities. Therefore, the program is definitely succeeding in controlling utility costs. In addition, the District utilizes a negotiated Early Retirement Incentive Program for the professional staff yielding extensive savings in payroll. Payroll expenses have relatively been flat over the past five years. In fact, the average increase has been well below inflation at about 1.5 percent or lower. The use of these expenditure policies has extended the operating lives of the District's existing levies and also these policies have counteracted the recent environment of eroding tax revenues for the District. As a result, even though revenues are declining, the control of expenditures has prevented deficit spending and this has preserved the accumulation of prior year-end positive fund balances.



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

	2008 Amount	2007 Amount	Percentage Change
<b><u>Revenues</u></b>			
Taxes	\$10,412,224	\$11,638,372	(10.5) %
Tuition	467,495	362,884	28.8 %
Earnings on investments	513,086	605,044	(15.2) %
Intergovernmental	3,611,142	2,610,447	38.3 %
Other revenues	42,103	25,548	64.8 %
<b>Total</b>	<b>\$15,046,050</b>	<b>\$15,242,295</b>	<b>(1.3) %</b>
<b><u>Expenditures</u></b>			
Instruction	7,164,868	6,836,372	4.8 %
Support services	6,608,763	6,109,567	8.2 %
Operation of non-instructional services	84,102	79,190	6.2 %
Extracurricular activities	721,590	707,251	2.0 %
Capital outlay	43,272	53,614	(19.3) %
<b>Total</b>	<b>\$14,622,595</b>	<b>\$13,785,994</b>	<b>6.1 %</b>

***Permanent Improvement Capital Projects Fund***

During fiscal year 2008, the District's other major fund, the permanent improvement capital projects fund, had a decrease in its fund balance of \$355,791. The reason for this decrease is that the District purchased capital assets out of this fund with resources previously receipted into the fund, in excess of one million dollars. The District also entered into two new capital lease agreements and the annual debt service payments will be paid from this fund. As a result, the permanent improvement fund balance decreased as current year revenue receipts were not enough to cover the aforementioned expenditures. It should be noted that the District does not have a traditional voted permanent improvement levy. The primary source of revenue for this fund is from revenue sharing agreements associated with tax abatements with businesses in the three villages in the District. Most of these abatements are maturing by the year 2014.

***General Fund Budgeting Highlights***

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

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

***Tax Revenue***

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

## **Cuyahoga Heights Local School District**

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### ***Earnings on Investments Revenue:***

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

### ***Intergovernmental – State Revenue:***

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

### ***Other Revenue Sources:***

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

### ***Instruction Expenditures:***

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

### ***Support Service Expenditures:***

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

### ***Other Expenditures:***

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

During the course of fiscal year 2008, the District amended its general fund budget numerous times. For the general fund, the final budgeted revenues and other financing sources were \$15,012,358, which is lower than the original budgeted revenues estimate of \$15,771,720. The final budgeted revenue amount includes revenue sources that were anticipated at the beginning of the year but not realized by the end of the year. Actual revenues and other financing sources for fiscal year 2008 was \$14,888,709. This represents a \$123,649 decrease from the final budgeted revenues. This small difference is due to transfers into the fund being less than expected.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$15,451,681 were decreased to \$15,097,064 in the final appropriation. The actual budget basis expenditures and other financing uses for fiscal year 2008 totaled \$15,026,492, which was \$70,572 less than the final budget appropriations. The original appropriations were based on conservative estimates at the beginning of the fiscal year based on anticipated expenditures. Also, the use of conservative estimates assists in projecting anticipated liabilities of the District. The decrease of \$354,617 is a favorable adjustment to the original budget for final appropriations. The final amended certificate of

## Cuyahoga Heights Local School District

Cuyahoga County, Ohio

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2008*

estimated resources and final appropriations document is actually submitted to the County Auditor after the year end close in July, yet this report utilizes the last amended certificate of resources filed by the fiscal year end of June 30<sup>th</sup>. As a result, the last amended certificate in June contains estimates for the final days of June and the amounts are pre year end close adjustments.

#### **Capital Assets and Debt Administration**

##### ***Capital Assets***

At the end of fiscal year 2008, the District had \$6,664,375 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2008 balances compared to 2007:

##### **Capital Assets at June 30 (Net of Depreciation)**

	Governmental Activities	
	2008	(Restated) 2007
Land	\$798,600	\$798,600
Construction in progress	1,218,150	968,230
Land improvements	491,943	507,805
Building and improvements	3,062,970	2,174,416
Furniture and equipment	692,526	580,471
Vehicles	400,186	296,428
Total	\$6,664,375	\$5,325,950

Total additions to capital assets for 2008 were \$1,722,382 and total disposals were \$366 (net of accumulated depreciation). The overall increase in capital assets of \$1,338,425 is primarily due to the School District entering into two capital leases for various building improvements in the amount of \$1,218,150. The School District also added \$504,232 to its building improvements, furniture, fixtures and equipment and vehicle assets, which was offset by \$383,591 in annual depreciation.

See Note 11 to the basic financial statements for additional information on the District's capital assets.

##### ***Debt Administration***

At June 30, 2008, the District had \$1,637,988 in general obligation bonds outstanding. Of this total, \$350,000 is due within one year and \$1,287,988 is due in more than one year. These amounts are exclusive of the amortized premium on the general obligation bonds. See Note 12 to the basic financial statements for additional information on the District's debt administration.

##### **Current Financial Related Activities**

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

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*

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***An Eroding Tax Valuation Environment:***

The District is faced with a very challenging financial scenario in an eroding tax environment. The overall tax valuation has decreased from \$540,280,624 in 2000 to \$387,942,080 in 2008. Even though the 2006 tax year was a revaluation year, the tax base for the District is eroding. One mil of tax valuation is generating less and less revenue for the District. Although House Bill 66 is reimbursing the District on the loss of Personal Property Tax Revenue, the potential growth in this tax revenue is still reduced since the reimbursements are based on the 2004 base tax year. The District has historically seen increases in Personal Property Taxes in the range of 3 to 5 percent. House Bill 66 greatly reduces and eliminates the potential growth in Personal Property Taxes during the phase out years. By 2018, an annual revenue stream of approximately \$5,000,000 will be eliminated from the revenue sources of the District. The State of Ohio has yet to declare that the new Commercial Activity Tax will be allocated to school districts. Presently, the CAT tax is funding the hold-harmless reimbursement payments for HB66. As a result, the District can not count on the CAT tax as a future revenue source. In addition, the current housing market decline will affect the historical average of 8 to 11 percent increases in value for revaluation years. The future growth is projected to be 4 percent, but we have to wait to see the true effects of the housing market decline.

***House Bill 264 Projects:***

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

The future of State Funding may greatly affect the financial horizon of the District. The State of Ohio was found by the Ohio Supreme Court to be operating an unconstitutional education system in regards to the funding formula. Currently an initiative is actively seeking a restructuring of the State Funding formula and Cuyahoga Heights Schools is one of multiple districts in Ohio that passed a Board Resolution supporting the campaign. However, the future is uncertain and there may be a risk of a redistribution of tax revenues for school districts in Ohio. This would be catastrophic to the District since tax revenues are the primary source of revenue.

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

**Contacting the District's Financial Management**

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

# Cuyahoga Heights Local School District

Cuyahoga County, Ohio

## Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$10,157,304
Cash and Cash Equivalents:	
With Fiscal Agents	16,301
Accounts Receivable	1,738
Intergovernmental Receivable	25,945
Property Taxes Receivable	11,053,528
Inventory Held for Resale	3,164
Materials and Supplies Inventory	55,606
Prepaid Items	20,266
Unamortized Bond Issuance Costs	30,188
Nondepreciable Capital Assets	2,016,750
Depreciable Capital Assets, Net	4,647,625
<i>Total Assets</i>	<u>28,028,415</u>
<b>Liabilities</b>	
Accounts Payable	169,782
Accrued Wages Payable	1,627,543
Contracts Payable	16,301
Intergovernmental Payable	342,852
Matured Compensated Absences Payable	43,720
Early Retirement Incentive Payable	26,606
Deferred Revenue	7,997,961
Accrued Interest Payable	22,204
Claims Payable	13,679
Long-Term Liabilities:	
Due Within One Year	871,962
Due In More Than One Year	4,522,008
<i>Total Liabilities</i>	<u>15,654,618</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	2,921,927
Restricted for:	
Capital Projects	203,791
Debt Service	940,833
Food Service Operations	151
Public School Support	26,202
Other Purposes	181,173
Set-asides	64,523
Unrestricted	8,035,197
<i>Total Net Assets</i>	<u>\$12,373,797</u>

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Statement of Activities*  
*For the Fiscal Year Ended June 30, 2008*

	Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets
			Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Current:				
Instruction:				
Regular	\$5,794,544	\$192,328	\$0	(\$5,602,216)
Special	918,337	29,210	40,740	(848,387)
Other	511,308	17,044	0	(494,264)
Support Services:				
Pupils	1,404,783	70,075	5,119	(1,323,849)
Instructional Staff	706,863	24,139	23,252	(659,472)
Board of Education	70,736	2,365	0	(68,371)
Administration	1,439,936	48,091	0	(1,391,845)
Fiscal	562,305	18,734	0	(543,571)
Business	137,018	5,235	71	(131,712)
Operation and Maintenance of Plant	2,136,883	51,982	0	(2,084,901)
Pupil Transportation	914,736	28,356	0	(883,556)
Central	501,819	8,294	14,000	(479,525)
Operation of Non-Instructional Services	132,732	3,664	0	(129,068)
Operation of Food Services	329,448	249,760	47,939	(31,749)
Extracurricular Activities	889,491	107,717	7,125	(774,649)
Interest and Fiscal Charges	105,913	0	0	(105,913)
<i>Total Governmental Activities</i>	<u>\$16,556,852</u>	<u>\$856,994</u>	<u>\$138,246</u>	<u>(\$8,564)</u>
<b>General Revenues</b>				
Property Taxes Levied for:				
				11,221,389
				490,050
				1,113,668
				3,623,298
				519,398
				63,353
				1,284
<i>Total General Revenues</i>				<u>17,032,440</u>
Change in Net Assets				1,479,392
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>				10,894,405
<i>Net Assets End of Year</i>				<u>\$12,373,797</u>

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Balance Sheet*  
*Governmental Funds*  
*June 30, 2008*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$8,665,106	\$233,487	\$1,140,509	\$10,039,102
Cash and Cash Equivalents:				
With Fiscal Agents	16,301	0	0	16,301
Accounts Receivable	1,617	0	121	1,738
Interfund Receivable	30,355	0	0	30,355
Intergovernmental Receivable	4,421	0	21,524	25,945
Property Taxes Receivable	10,541,941	0	511,587	11,053,528
Inventory Held for Resale	0	0	3,164	3,164
Materials and Supplies Inventory	53,942	0	1,664	55,606
Prepaid Items	20,126	0	140	20,266
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	64,523	0	0	64,523
<b>Total Assets</b>	<b>\$19,398,332</b>	<b>\$233,487</b>	<b>\$1,678,709</b>	<b>\$21,310,528</b>
<b>Liabilities</b>				
Accounts Payable	\$145,606	\$16,423	\$7,753	\$169,782
Accrued Wages	1,618,852	0	8,691	1,627,543
Contracts Payable	16,301	0	0	16,301
Intergovernmental Payable	339,576	0	3,276	342,852
Matured Compensated Absences Payable	43,720	0	0	43,720
Interfund Payable	0	0	30,355	30,355
Early Retirement Incentive Payable	26,606	0	0	26,606
Deferred Revenue	9,377,745	0	456,394	9,834,139
<b>Total Liabilities</b>	<b>11,568,406</b>	<b>16,423</b>	<b>506,469</b>	<b>12,091,298</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	314,613	29,772	31,323	375,708
Reserved for Bus Purchases	9,379	0	0	9,379
Reserved for Bureau of Workers' Compensation Refunds	55,144	0	0	55,144
Reserved for Property Taxes	762,365	0	39,293	801,658
Unreserved:				
Undesignated, Reported in:				
General Fund	6,688,425	0	0	6,688,425
Special Revenue Funds	0	0	188,136	188,136
Debt Service Funds	0	0	907,748	907,748
Capital Projects Funds	0	187,292	5,740	193,032
<b>Total Fund Balances</b>	<b>7,829,926</b>	<b>217,064</b>	<b>1,172,240</b>	<b>9,219,230</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$19,398,332</b>	<b>\$233,487</b>	<b>\$1,678,709</b>	<b>\$21,310,528</b>

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2008*

<b>Total Governmental Fund Balances</b>	<b>\$9,219,230</b>
 <b><i>Amounts reported for governmental activities in the statement of net assets are different because</i></b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,664,375
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. These deferrals are attributed to property taxes.	1,836,178
An internal service fund is used by management to charge the costs of dental and vision insurance premiums to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.	40,000
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.	30,188
Unamortized premiums on bond issuances are not recognized in the funds.	(61,966)
In the statement of activities, interest is accrued on outstanding general obligation bonds and leases, whereas in governmental funds, an interest expenditure is reported when due.	(22,204)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(\$1,637,988)
Compensated Absences	(1,389,346)
Early Retirement Incentive	(139,000)
Capital Leases	(2,165,670)
Total	(5,332,004)
 <i>Net Assets of Governmental Activities</i>	<b>\$12,373,797</b>

See accompanying notes to the basic financial statements



**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2008*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$10,412,224	\$1,113,668	\$443,928	\$11,969,820
Tuition and Fees	467,495	0	0	467,495
Interest	513,086	2,650	3,662	519,398
Charges for Services	0	0	249,760	249,760
Extracurricular Activities	16,103	0	60,838	76,941
Rentals	1,797	11,001	50,000	62,798
Contributions and Donations	0	0	7,196	7,196
Intergovernmental	3,611,142	0	151,770	3,762,912
Miscellaneous	24,203	31,972	7,178	63,353
<i>Total Revenues</i>	<u>15,046,050</u>	<u>1,159,291</u>	<u>974,332</u>	<u>17,179,673</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	5,765,741	0	0	5,765,741
Special	889,280	308	40,824	930,412
Other	509,847	0	1,461	511,308
<b>Support Services:</b>				
Pupils	1,016,599	254,530	35,538	1,306,667
Instructional Staff	652,875	0	31,548	684,423
Board of Education	70,736	0	0	70,736
Administration	1,465,458	3,620	0	1,469,078
Fiscal	604,359	0	532	604,891
Business	131,803	1,478	1,538	134,819
Operation and Maintenance of Plant	1,548,711	547,804	0	2,096,515
Pupil Transportation	870,133	0	0	870,133
Central	248,089	239,121	11,545	498,755
Operation of Non-Instructional Services	84,102	0	884	84,986
Operation of Food Services	0	0	326,054	326,054
Extracurricular Activities	721,590	0	154,921	876,511
Capital Outlay	43,272	1,642,957	36,153	1,722,382
<b>Debt Service:</b>				
Principal Retirement	0	20,710	345,000	365,710
Interest and Fiscal Charges	0	22,704	46,981	69,685
<i>Total Expenditures</i>	<u>14,622,595</u>	<u>2,733,232</u>	<u>1,032,979</u>	<u>18,388,806</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>423,455</u>	<u>(1,573,941)</u>	<u>(58,647)</u>	<u>(1,209,133)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	1,650	0	0	1,650
Inception of Capital Lease	0	1,218,150	0	1,218,150
Transfers In	32,329	0	178,329	210,658
Transfers Out	(178,329)	0	(32,329)	(210,658)
<i>Total Other Financing Sources (Uses)</i>	<u>(144,350)</u>	<u>1,218,150</u>	<u>146,000</u>	<u>1,219,800</u>
<i>Net Change in Fund Balances</i>	279,105	(355,791)	87,353	10,667
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	7,550,821	572,855	1,084,887	9,208,563
<i>Fund Balances End of Year</i>	<u>\$7,829,926</u>	<u>\$217,064</u>	<u>\$1,172,240</u>	<u>\$9,219,230</u>

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2008*

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**Net Change in Fund Balances - Total Governmental Funds** \$10,667

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

Governmental funds report capital outlays as expenditures.

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

Capital Outlay	\$1,722,382
Current Year Depreciation	<u>(383,591)</u>

Total	1,338,791
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The net effect of various transactions involving capital assets (i.e.; disposals, sales and donations) is a reduction in net assets.

Assets Disposed	(141,377)
Accumulated Depreciation on Disposals	<u>141,011</u>

Total	(366)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	855,287
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Other financing sources in the governmental funds, such as the inception of a capital lease, increases long-term liabilities in the statement of net assets.

(1,218,150)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

365,710

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	(18,289)
Accreted Interest on Bonds	(25,883)
Amortization of Premium on Bonds	15,491
Amortization of Bond Issuance Costs	<u>(7,547)</u>

Total	(36,228)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	125,521
Early Retirement Incentive	<u>(64,500)</u>

Total	61,021
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The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

102,660

*Change in Net Assets of Governmental Activities* \$1,479,392

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$10,585,221	\$10,149,045	\$10,149,045	\$0
Tuition and Fees	487,708	467,611	467,611	0
Interest	603,129	578,276	578,276	0
Extracurricular Activities	16,795	16,103	16,103	0
Rentals	1,874	1,797	1,797	0
Intergovernmental	3,769,288	3,613,970	3,613,970	0
Miscellaneous	23,900	26,661	26,661	0
<i>Total Revenues</i>	<u>15,487,915</u>	<u>14,853,463</u>	<u>14,853,463</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	6,020,016	5,822,360	5,822,360	0
Special	892,056	863,591	863,591	0
Other	583,306	600,122	600,122	0
Support Services:				
Pupils	1,045,353	1,018,836	1,009,687	9,149
Instructional Staff	684,062	661,330	661,330	0
Board of Education	70,072	67,580	67,580	0
Administration	1,466,611	1,448,418	1,448,418	0
Fiscal	623,318	602,804	602,804	0
Business	132,220	138,761	138,761	0
Operation and Maintenance of Plant	1,579,210	1,682,736	1,682,736	0
Pupil Transportation	846,688	830,273	830,273	0
Central	245,586	253,527	253,527	0
Operation of Non-Instructional Services	98,083	95,705	95,705	0
Extracurricular Activities	769,477	741,509	741,509	0
<i>Total Expenditures</i>	<u>15,056,058</u>	<u>14,827,552</u>	<u>14,818,403</u>	<u>9,149</u>
<i>Excess of Revenues Over Expenditures</i>	<u>431,857</u>	<u>25,911</u>	<u>35,060</u>	<u>9,149</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	0	1,650	1,650	0
Advances In	1,267	1,267	1,267	0
Advances Out	(29,760)	(29,760)	(29,760)	0
Transfers In	282,538	155,978	32,329	(123,649)
Transfers Out	(365,863)	(239,752)	(178,329)	61,423
<i>Total Other Financing Sources (Uses)</i>	<u>(111,818)</u>	<u>(110,617)</u>	<u>(172,843)</u>	<u>(62,226)</u>
<i>Net Change in Fund Balance</i>	320,039	(84,706)	(137,783)	(53,077)
<i>Fund Balance Beginning of Year - Restated (See Note 3)</i>	8,139,644	8,139,644	8,139,644	0
<i>Prior Year Encumbrances Appropriated</i>	310,404	310,404	310,404	0
<i>Fund Balance End of Year</i>	<u>\$8,770,087</u>	<u>\$8,365,342</u>	<u>\$8,312,265</u>	<u>(\$53,077)</u>

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Statement of Fund Net Assets*

*Proprietary Fund*

*June 30, 2008*

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	<u>Internal Service</u>
<b>Current Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$53,679
<b>Current Liabilities</b>	
Claims Payable	<u>13,679</u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$40,000</u></u>

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2008*

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	<u>Internal Service</u>
<b>Operating Revenues</b>	
Charges for Services	\$225,036
<b>Operating Expenses</b>	
Claims	<u>122,376</u>
<i>Change in Net Assets</i>	102,660
<i>Net Assets (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>(62,660)</u>
<i>Net Assets End of Year</i>	<u><u>\$40,000</u></u>

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Statement of Cash Flows*

*Proprietary Fund*

*For the Fiscal Year Ended June 30, 2008*

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	<u>Internal Service</u>
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Charges for Services	\$225,036
Cash Payments for Claims	<u>(133,698)</u>
<i>Net Cash Provided by Operating Activities</i>	91,338
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>(37,659)</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$53,679</u></u>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	\$102,660
Adjustments:	
Decrease in Accounts Payable	(1,716)
Decrease in Claims Payable	<u>(9,606)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$91,338</u></u>

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2008*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$275,263	\$72,278
Accrued Interest Receivable	10,994	0
<i>Total Assets</i>	<b>\$286,257</b>	<b>\$72,278</b>
<b>Liabilities</b>		
Due to Students	0	\$65,779
Accounts Payable	777	0
Intergovernmental Payable	0	6,499
<i>Total Liabilities</i>	<b>777</b>	<b>\$72,278</b>
<b>Net Assets</b>		
Held in Trust for Scholarships	<b>\$285,480</b>	

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Funds*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Private Purpose Trust</u>
<b>Additions</b>	
Interest	\$20,287
Contributions and Donations	<u>13,400</u>
<i>Total Additions</i>	33,687
<b>Deductions</b>	
Scholarships Awarded	<u>14,590</u>
<i>Change in Net Assets</i>	19,097
<i>Net Assets Beginning of Year</i>	<u>266,383</u>
<i>Net Assets End of Year</i>	<u><u>\$285,480</u></u>

See accompanying notes to the basic financial statements



# **Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008*

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## **Note 1 – Description of the School District**

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

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

The District ranks as the 528th largest by enrollment among the 615 public school districts in the state. It currently operates 1 elementary school, 1 middle school and 1 comprehensive high school. The District employs 71 certified (including administrative) and 74 non-certified full-time and part-time employees to provide services to approximately 872 students from pre-school (age 4) to grade 12 and various community groups.

## **Note 2 – Summary of Significant Accounting Policies**

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

### **A - Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity”, and as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units”. The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, foods service, preschool and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

## **Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008*

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### ***Jointly Governed Organizations***

#### **Ohio Schools' Council**

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

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

Energy Acquisition Corp., a non-profit corporation with a self-appointed 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 Career Center**

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

#### **Northeast Ohio Network for Educational Technology**

The Northeast Ohio Network for Educational Technology (NEONET) is a jointly governed computer service bureau among eleven public school districts. The primary function of NEONET is to provide data services to the eleven member districts. Major areas of service provided by NEONET include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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scheduling, attendance reporting and grade reporting. Each school is represented on the NEONET Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Summit County Educational Service Center serves as the fiscal agent of NEONET. Each school district supports NEONET based upon a per pupil charge, dependent upon the software packages used. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio, 44221.

***Public Entity Risk Pools***

**Ohio School Boards Association Workers' Compensation Group Rating Plan**

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

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

**Suburban Health Consortium**

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

The officers of the Board of Directors shall consist of a Chairman, Vice-Chairman and Recording Secretary, who shall be elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium shall be exercised by or under the direction of the Board of Directors. The Board of Directors shall also set all premiums and other amounts to be paid by the Consortium Members, and the Board of Directors shall also have the authority to waive premiums and other payments. All members of the Board of Directors shall serve without compensation. The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Lakewood City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of

## **Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008*

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notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement.

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

Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from Richard Berdine, Treasurer of the Lakewood City School District (the "Fiscal Agent") at 1470 Warren Road, Lakewood, Ohio, 44107.

### **B - Fund Accounting**

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

#### ***Governmental Funds***

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

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

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

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

# Cuyahoga Heights Local School District

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*Notes to the Basic Financial Statements  
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## **Proprietary Funds**

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

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

## **Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's trust funds are private-purpose trusts which account for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has two agency funds to account for District agency services and student activities.

## **C - Basis of Presentation and Measurement Focus**

*Government-wide Financial Statements* - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

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

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

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements*  
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Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

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

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

**D - Basis of Accounting**

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 7).

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

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

Deferred/Unearned Revenue - Deferred/unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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*Notes to the Basic Financial Statements*  
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On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

**E - Budgets**

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

Tax Budget:

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

Estimated Resources:

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

Appropriations:

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

## **Cuyahoga Heights Local School District**

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*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008*

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

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

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

### **F - Cash and Cash Equivalents**

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

During fiscal year 2008, investments were limited to nonnegotiable certificates of deposits, U.S. Treasury Bills, Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2008. 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, 2008.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$513,086, which includes \$24,320 assigned from other District funds.

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

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

### **G - Inventory**

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



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

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

**H - Capital Assets**

Governmental capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

**I - Interfund Balances**

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

**J - Compensated Absences**

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

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

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements*  
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future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, any employee at least 50 years old with at least 10 years of service, or any employee with at least 20 years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2008, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

**K - Accrued Liabilities and Long-Term Obligations**

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

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

**L. Bond Issuance Costs**

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

**M. Bond Premium**

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

**N - Fund Balance Reserves**

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, school bus purchases, Bureau of Workers' Compensation (BWC) refunds, and tax revenue unavailable for appropriation. The reserve for tax revenue unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements*  
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**O - Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports restricted net assets of \$1,416,673, none of which is restricted by enabling legislation. Net assets restricted for other purposes include food service operations and public school support.

**P - Prepayments**

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

**Q - Estimates**

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

**R - Restricted Assets**

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

**S - Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

**T - Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2008.

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

***A. Change in Accounting Principle***

For fiscal year 2008, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 43, “Financial Reporting for Postemployment Benefit Plans Other than Pension Plans”, Statement No. 48, “Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues”, and GASB Statement No. 50, “Pension Disclosures”.

GASB Statement No. 43 establishes uniform financial reporting standards for Other Postemployment Benefit (OPEB) plans and supersedes guidance included in GASB Statement No. 26, “Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans”. The standards in Statement No. 43 apply to OPEB trust funds included in the financial reports of plan sponsors or employers, as well as for stand-alone financial reports of OPEB plans or the public employee retirement systems, or third parties that administer them. The implementation of this statement did not result in any change to the financial statements of the District.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements of the District.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements of the District.

***B. Restatement of Prior Year Fund Balance/Net Assets***

During fiscal year 2009, the Treasurer determined that the employee benefits self insurance internal service fund for dental and vision benefits had additional revenue recorded in the fund. Furthermore, the Treasurer discovered that this additional revenue has been accumulating for more than six years. The additional revenue was for medical insurance that should have been recorded in the general fund. The revenue was reclassified in fiscal year 2009 and the auditors recommended the following restatement of prior year fund balance as follows. The general fund cash balance was increased and the internal service fund balance was decreased by \$346,954 at June 30, 2007. This restatement increased the general fund balance at June 30, 2007 to \$7,550,821 from \$7,203,867 and also decreased the internal service fund net assets to a negative \$(62,660) from \$284,294 at June 30, 2007. This change did not affect total governmental net assets at June 30, 2007 since these funds are combined on the government wide financial statements.

During fiscal year 2008, the District restated its governmental capital asset totals to reflect an increase in its capitalization threshold to \$2,500 from \$500. This restatement changed ending net assets at June 30, 2007 from \$11,405,179 to \$10,894,405, or a decrease of \$511,314.

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**Note 4 – Accountability**

Fund balances at June 30, 2008 included the following individual fund deficits:

Nonmajor Governmental Funds:	Deficit
Management Information Systems	\$2,342
Alternative Schools	123
Title I	96
Title VI	1,031
Drug Free Schools Grant	570
Improving Teacher Quality	7,186

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

**Note 5 – Budgetary Basis of Accounting**

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

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

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

	Net Change in Fund Balance
GAAP Basis	\$279,105
Net Adjustment for Revenue Accruals	(192,587)
Advances In	1,267
Advances Out	(29,760)
Net Adjustment for Expenditure Accruals	189,155
Adjustment for Encumbrances	(384,963)
Budget Basis	(\$137,783)

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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**Note 6 – Deposits and Investments**

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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*Notes to the Basic Financial Statements*  
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6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

**A - Cash on Hand**

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

**B - Cash with Fiscal Agent**

At fiscal year-end, \$16,301 was on deposit with the District's fiscal agent for natural gas purchases. This amount is included in the "Deposits with Financial Institutions" reported below but is not part of the internal cash pool reported on the statement of net assets and the governmental balance sheet as "Equity in Pooled Cash and Cash Equivalents".

**C - Deposits with Financial Institutions**

At June 30, 2008, the carrying amount of all District deposits was \$1,169,730. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, \$201,730 of the District's bank balance of \$1,293,724 was covered by the Federal Deposit Insurance Corporation, while \$1,091,994 was exposed to custodial risk as discussed below.

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

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**D - Investments**

As of June 30, 2008, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
STAR Ohio	\$5,663,243	\$5,663,243	\$0	\$0	\$0
Federal National Mortgage Assoc.	1,496,186	498,845	0	500,000	497,341
Federal Home Loan Bank	1,146,033	792,343	353,690	0	0
Federal Home Loan Mortgage Corp.	1,014,007	516,157	497,850	0	0
Treasury Bills	31,017	31,017	0	0	0
	<u>\$9,350,486</u>	<u>\$7,501,605</u>	<u>\$851,540</u>	<u>\$500,000</u>	<u>\$497,341</u>

The weighted average maturity of investments is 0.28 years.

*Interest Rate Risk:* Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The District's investment policy addresses interest rate risk by requiring the consideration of cash flow requirements and market conditions in determining the term of an investment, and limiting investment portfolio maturities to five years or less.

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

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

*Concentration of Credit Risk:* The District's investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of market value, or by default. However, the District's investment policy does not place any limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2008:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$5,663,243	60.57%
Federal National Mortgage Association	1,496,186	16.00%
Federal Home Loan Bank	1,146,033	12.26%
Federal Home Loan Mortgage Corporation	1,014,007	10.84%
Treasury Bills	31,017	0.33%
	<u>\$9,350,486</u>	<u>100.00%</u>



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**E - Reconciliation of Cash and Investment to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2008:

<u>Cash and Investments per Note Disclosure</u>	
Carrying amount of deposits	\$1,169,730
Investments	9,350,486
Cash on hand	930
Total	<u><u>\$10,521,146</u></u>
 <u>Cash and Investments per Statement of Net Assets</u>	
Governmental activities	\$10,173,605
Private-purpose trust funds	275,263
Agency funds	72,278
Total	<u><u>\$10,521,146</u></u>

**Note 7 – Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

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The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available as an advance at June 30, 2008 was \$762,365 in the General fund, and \$39,293 in the Bond Retirement debt service fund (a non-major governmental fund). These amounts are reported as revenue. The amount available for advance at June 30, 2007 was \$776,160 in the General fund, and \$36,358 in the Bond Retirement debt service fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary depending upon when the tax bills are sent by the County Auditor.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2008 taxes were collected are:

	Half Collections		Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$312,382,570	65.32 %	\$312,980,030	80.68 %
Public Utility Personal	29,061,090	6.08	26,734,530	6.89
Tangible Personal Property	136,711,315	28.60	48,209,520	12.43
Total	<u>\$478,154,975</u>	<u>100.00 %</u>	<u>\$387,924,080</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$28.80		\$28.90	

**Note 8 - Receivables**

Receivables at June 30, 2008 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of Federal funds. A summary of the principal items of receivables reported on the Statement of Net Assets follows:

<b><u>Governmental Activities:</u></b>	
Taxes	\$11,053,528
Accounts	1,738
Intergovernmental	<u>25,945</u>
Total	<u>\$11,081,211</u>

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

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**Note 9 – Interfund Transactions**

**A - Interfund Receivable/Payable**

Interfund balances at June 30, 2008 consisted of the following individual interfund loans receivable and payable, as reported on the fund financial statements

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Governmental Fund:		
General	\$30,355	\$0
Non-major Governmental Funds:		
Alternative Schools	0	6,613
Title I	0	4,448
Title VI	0	1,031
Drug Free Schools Grant	0	1,488
Improving Teacher Quality	0	16,723
Miscellaneous Federal Grants	0	52
	<u>\$30,355</u>	<u>\$30,355</u>

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2008 are reported on the Statement of Net Assets.

**B – Interfund Transfers**

Interfund transfers for the year ended June 30, 2008 consisted of the following, as reported on the fund financial statements:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Fund:		
General	\$32,329	\$178,329
Non-major Governmental Funds:		
District Managed Activity	146,000	0
Management Information Systems	32,329	32,329
	<u>\$210,658</u>	<u>\$210,658</u>

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

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements*  
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**Note 10 – Operating Lease Agreement**

During fiscal 1999, the Board of Education entered into a lease agreement with Eller Media for outdoor advertising. The total amount of revenue to be received by the District is \$1.62 million dollars over fifteen years. The first payment of \$500,000 was received in July, 1999. The District is scheduled to receive \$50,000 per year in years 6 through 13 of the lease, \$220,000 in year 14, and \$500,000 in year 15. The District received \$50,000 in lease payments during fiscal 2008. The lease is cancelable by either party, requiring only a 30 day notice. Thus, no accrual has been recorded on the Statement of Net Assets.

**Note 11 – Capital Assets**

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

	(Restated) Balance 6/30/07	Additions	Reductions	Balance 6/30/08
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$798,600	\$0	\$0	\$798,600
Construction in progress	968,230	1,218,150	(968,230)	1,218,150
<b>Total capital assets not being depreciated</b>	<b>1,766,830</b>	<b>1,218,150</b>	<b>(968,230)</b>	<b>2,016,750</b>
Capital assets being depreciated:				
Land Improvements	949,602	31,750	0	981,352
Buildings and improvements	12,503,896	983,906	0	13,487,802
Furniture, fixtures and equipment	2,591,201	280,999	(42,745)	2,829,455
Vehicles	974,357	175,807	(98,632)	1,051,532
<b>Total capital assets being depreciated</b>	<b>17,019,056</b>	<b>1,472,462</b>	<b>(141,377)</b>	<b>18,350,141</b>
Accumulated depreciation:				
Land Improvements	(441,797)	(47,612)	0	(489,409)
Buildings and improvements	(10,329,480)	(95,352)	0	(10,424,832)
Furniture, fixtures and equipment	(2,010,730)	(168,578)	42,379	(2,136,929)
Vehicles	(677,929)	(72,049)	98,632	(651,346)
<b>Total accumulated depreciation</b>	<b>(13,459,936)</b>	<b>(383,591) *</b>	<b>141,011</b>	<b>(13,702,516)</b>
Capital assets being depreciated, net	3,559,120	1,088,871	(366)	4,647,625
<b>Governmental activities capital assets, net</b>	<b>\$5,325,950</b>	<b>\$2,307,021</b>	<b>(\$968,596)</b>	<b>\$6,664,375</b>

**Cuyahoga Heights Local School District**  
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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$127,669
Special	3,450
Support Services:	
Pupil	70,182
Instructional Staff	7,382
Administration	2,010
Fiscal	2,355
Business	2,199
Operation and Maintenance of Plant	34,159
Pupil Transportation	66,538
Central	3,064
Operation of Non-Instructional Services	47,514
Operation of Food Services	4,594
Extracurricular	12,475
<b>Total Depreciation Expense</b>	<b>\$383,591</b>

**Note 12 – Long-Term Obligations**

During fiscal year 2008, the following changes occurred in governmental activities long-term obligations. Compensated absences and the retirement incentive will be paid from the fund in which the employee is paid, usually the general fund.

	Balance at 06/30/07	Increases	Decreases	Balance at 06/30/08	Amounts Due in One Year
<b>Governmental Activities:</b>					
<u>General Obligation Bonds:</u>					
Current interest					
refunding bonds, series 2004	\$1,780,000	\$0	(\$345,000)	\$1,435,000	\$350,000
Capital appreciation					
refunding bonds, series 2004	110,000	0	0	110,000	0
Capital appreciation					
refunding bonds accreted interest	67,105	25,883	0	92,988	0
<b>Total general obligation bonds</b>	<b>1,957,105</b>	<b>25,883</b>	<b>(345,000)</b>	<b>1,637,988</b>	<b>350,000</b>
<u>Other Long-Term Obligations:</u>					
Capital leases	968,230	1,218,150	(20,710)	2,165,670	134,489
Compensated absences	1,514,867	198,812	(324,333)	1,389,346	248,473
Early retirement incentive	74,500	79,000	(14,500)	139,000	139,000
<b>Total other long-term obligations</b>	<b>2,557,597</b>	<b>1,495,962</b>	<b>(359,543)</b>	<b>3,694,016</b>	<b>521,962</b>
<b>Total governmental activities</b>	<b>4,514,702</b>	<b>\$1,521,845</b>	<b>(\$704,543)</b>	<b>5,332,004</b>	<b>\$871,962</b>
<b>Add: Unamortized premium on bonds</b>	<b>77,457</b>			<b>61,966</b>	
<b>Total on statement of net assets</b>	<b>\$4,592,159</b>			<b>\$5,393,970</b>	

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

*Refunding bonds, series 2004:* On December 1, 2003, the District issued general obligation bonds in order to advance refund the entire outstanding balance of the current interest construction bonds, series 1993. Proceeds of the issuance were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. At June 30, 2008, \$1,800,000 of defeased bonds are still outstanding.

The refunding issue is comprised of both current interest bonds, par value \$2,795,000, and capital appreciation bonds, par value \$110,000. The interest rates on the current interest bonds range from 2.00 percent to 3.25 percent. The capital appreciation bonds mature on December 1, 2012 (effective interest rate of 4.15 percent) at a redemption price equal to 100 percent of the principal plus accreted interest to the redemption date. The present value (as of the issue date) reported on the statement of net assets at June 30, 2008 is \$110,000. Total accreted interest of \$92,988 has been included on the statement of net assets.

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

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

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

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2008 are as follows:

Fiscal Year Ended	Current Interest Bonds, Series 2004			Capital Appreciation Bonds, Series 2004		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$350,000	\$38,288	\$388,288	\$0	\$0	\$0
2010	350,000	28,226	378,226	0	0	0
2011	365,000	17,501	382,501	0	0	0
2012	370,000	6,012	376,012	0	0	0
2013	0	0	0	375,000	0	375,000
Total	<u>\$1,435,000</u>	<u>\$90,027</u>	<u>\$1,525,027</u>	<u>\$375,000</u>	<u>\$0</u>	<u>\$375,000</u>

***Legal Debt Margin***

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

The effects of these debt limitations at June 30, 2008 are a legal voted debt margin of \$34,315,208 (including available funds of \$947,041), and a legal un-voted debt margin of \$387,924.

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements*  
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**Note 13 – Risk Management**

**A - Dental and Vision Insurance**

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

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

All funds of the District participate in the program and make payments to the internal service fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). Findley Davies, Inc., has actuarially determined that \$13,679, is a good and sufficient provision for all un-matured claim obligations (including both reported, but unpaid claims, and incurred, but not reported claims, as well as an allowance for claim settlement expenses on the estimated unpaid claims) as of June 30, 2008.

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

The claims liability of \$13,679 reported in the Employee Benefits Self Insurance fund at June 30, 2008 is based on the provisions of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, and as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

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

Fiscal Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2007	\$14,962	161,253	152,930	\$23,285
2008	23,285	124,092	133,698	13,679

**B - Employee Health Benefits**

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

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

**C - Comprehensive**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District contracted for the following insurance coverage

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

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no reduction in amounts of insurance coverage from fiscal 2008.



**Cuyahoga Heights Local School District**  
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**D - Workers' Compensation**

For fiscal year 2008, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**Note 14 – Pension Plans**

**A - School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers, by the SERS' Retirement Board. The District's required contribution for pension obligations to SERS for fiscal years ended 2008, 2007, and 2006 were \$208,062, \$235,526, and \$233,661, respectively. 100 percent has been contributed for all of these fiscal years.

**B - State Teachers Retirement System**

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

Plan Options - New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

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

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

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

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

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

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

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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

A Defined Benefit or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2008, were 10 percent of covered payroll for members and 14 percent for employers. The District's required contributions to STRS Ohio for the fiscal years ended June 30, 2008, 2007 and 2006 were \$755,064, \$747,089, and \$735,197, respectively; 100 percent has been contributed for all of these fiscal years. Contributions to the DC and Combined Plans for fiscal year 2008 were \$4,794 made by the District and \$9,787 made by the plan members.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2007 *Comprehensive Annual Financial Report* are available after December 26, 2007.

Additional information or copies of STRS Ohio's 2007 *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 East Broad Street, Columbus, OH 43215-3371, or by calling toll free 1-888-227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

**C - Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the SERS/STRS. As of June 30, 2008, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**Note 15 – Postemployment Benefits**

**A - School Employees Retirement System**

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2008, employer contributions to fund health care benefits were 4.84 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2008, the minimum pay was established as \$35,800. For

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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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the District, the amount contributed to fund health care benefits, including the surcharge, during the 2008 fiscal year equaled \$132,892.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate provides for maintenance of the asset target level for the health care fund. Health care benefits are financed on a pay as you go basis. Net health care costs for the year ending June 30, 2007 (the latest information available), were \$158,651,207. The number of participants eligible to receive benefits was 59,492. The target level for the health care fund is 150 percent of the projected claims less premium contributions for the next fiscal year. At June 30, 2007 the value of the health care fund was \$295.6 million, which is about 221 percent of next year's projected net health care costs. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150 percent of estimated annual net claim costs.

**B - State Teachers Retirement System**

STRS Ohio provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physician fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the Revised Code (R.C.), the State Teachers Retirement Board (the board) has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. For the fiscal year ended June 30, 2008, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$58,082 for fiscal year 2008.

The R.C. grants authority to STRS Ohio to provide health care coverage to eligible benefit recipients, spouses and dependents. By Ohio law, health care benefits are not guaranteed and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For the fiscal year ended June 30, 2007 (the latest information available) the board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$4.1 billion on June 30, 2007.

For the fiscal year ended June 30, 2007, net health care costs paid by STRS Ohio were \$265,558,000. There were 122,934 eligible benefit recipients.

**Note 16 - Contingencies**

**A - Grants**

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

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008*

**B - Litigation**

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

**Note 17 – Statutory Reserves**

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

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

	<u>Instructional Materials</u>	<u>Capital Maintenance</u>	<u>Workers' Comp Refunds</u>
Set-Aside Reserve Balance as of June 30, 2007	(\$3,075,390)	\$0	\$55,144
Current Year Set-Aside Requirement	133,319	133,319	0
Qualifying Disbursements	<u>(604,493)</u>	<u>(729,302)</u>	<u>0</u>
Total	<u>(\$3,546,564)</u>	<u>(\$595,983)</u>	<u>\$55,144</u>
Set-Aside Balance Carried Forward to			
Future Fiscal Years	<u>(\$3,546,564)</u>	<u>\$0</u>	<u>\$55,144</u>
Cash balance as of June 30, 2008	<u>\$0</u>	<u>\$0</u>	<u>\$55,144</u>

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

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

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

A schedule of restricted assets as of June 30, 2008 is as follows:

Amount Set-Aside for Workers' Compensation Refunds	\$55,144
Amount Set-Aside for Bus Purchases	<u>9,379</u>
Total	<u>\$64,523</u>

**Cuyahoga Heights Local School District**  
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*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008*

**Note 18 – Capital Leases**

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

As part of the agreements for these new leases, CitiCapital Municipal Finance and Honeywell Global Finance, LLC, as lessors, deposited monies in segregated accounts for the installation of a new synthetic turf playing field, new goal posts and various school district improvements. The entire amount was paid to the vendors at the direction of the School District when installations were completed. At year-end capital assets have been capitalized for these capital leases and no lease payments have been paid on either lease as of June 30, 2008.

The assets acquired through the capital lease are as follows:

<i>Asset:</i>	<u>Governmental Activities</u>
Land Improvements	\$668,150
Building Improvements	1,518,230
Historical Cost	2,186,380
Less: Accumulated Depreciation	(24,206)
Total Book Value as of June 30, 2008	<u>\$2,162,174</u>

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

<u>Fiscal Year Ending June 30,</u>	
2009	\$203,356
2010	203,356
2011	203,356
2012	203,356
2013	203,356
2014 - 2018	1,299,520
2019 - 2023	390,726
Total Minimum Lease Payments	2,707,026
Less: Amount Representing Interest	(541,356)
Present Value of Minimum Lease	<u>\$2,165,670</u>

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

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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**Note 19 – Significant Events**

***LTV Bankruptcy***

On December 28, 2000, LTV Steel and Wire Corporation filed for Chapter 11 bankruptcy, and the action was approved by a bankruptcy judge. In November 2001, LTV shut down operations. LTV was the 2nd highest taxpayer in the District. As a result, the District estimates that the loss of tax revenue could total \$1 million, annually.

Cuyahoga Heights Local School District, Cleveland City School District, the City of Cleveland, and the Cuyahoga County Prosecutor filed a joint objection in the Bankruptcy Court as to the valuation of Cleveland Works for the distribution of the proceeds of the sale of all LTV assets. The Cleveland Works valuation was appraised at \$0 by the Blackstone Group. Hearings began in June, 2002 and have extended beyond the end of the District's fiscal year 2008. As of June 30, 2008, the District is unable to determine the effect, if any, that the outcome of these hearings will have on its financial operations.

***House Bill 264 Project***

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

Cuyahoga Heights Local School District implemented another phase of House Bill 264 (HB264) energy conservation projects in June of 2007. The HB264 program is a state house bill that allows special financing opportunities for energy conservation permanent improvements in school districts. The recent phase of project will encompass \$970,000 of heating, air condition, and lighting improvements. Without this special HB264 financing opportunity, the district would have to spend the total amount of \$970,000 in one year for the necessary improvements. The special HB264 capital lease financing will cost the district about \$87,000 per year at a very favorable rate of 3.98 percent (also a feature of the HB264 program) for 15 years. The program has a very detailed application process that includes specific methods to document and project energy savings. This project is expected to save the district \$97,000 annually, more than paying for the annual lease payment of \$87,000. This is a favorable financial situation for the district, since there will be an ultimate savings in expenditures, completing necessary building improvements, and an improved cash-flow that is very important in the current financial horizon of a deteriorating tax base.

***Field Turf Project***

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

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**Combining and Individual Fund Statements and Schedules**

## Combining Statements – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

**District Managed Student Activity Fund** – A fund used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund usually includes athletic programs, but could also include band, cheerleader, flag corps and other similar types of activities.

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

**Entry Year Programs Fund** – A fund used to help implement entry-year programs pursuant to Section 3317.024(T) of the Ohio Revised Code.

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

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

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

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

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

(continued)

## **Combining Statements – Nonmajor Governmental Funds (continued)**

### ***Nonmajor Special Revenue Funds (continued)***

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

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

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

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

***Miscellaneous Federal Grants Fund*** – A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

### ***Nonmajor Debt Service Fund***

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

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

### ***Nonmajor Capital Projects Fund***

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

***School Net Fund*** – A fund provided to account for wiring to classrooms and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth districts. Since the District has only one nonmajor capital projects fund, no combining statements are presented.

**Cuyahoga Heights Local School District**  
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*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2008*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$242,921	\$891,848	\$5,740	\$1,140,509
Accounts Receivable	121	0	0	121
Intergovernmental Receivable	21,524	0	0	21,524
Property Taxes Receivable	0	511,587	0	511,587
Inventory Held for Resale	3,164	0	0	3,164
Materials and Supplies Inventory	1,664	0	0	1,664
Prepaid Items	140	0	0	140
<i>Total Assets</i>	<u>\$269,534</u>	<u>\$1,403,435</u>	<u>\$5,740</u>	<u>\$1,678,709</u>
<b>Liabilities</b>				
Accounts Payable	\$7,753	\$0	\$0	\$7,753
Accrued Wages	8,691	0	0	8,691
Intergovernmental Payable	3,276	0	0	3,276
Interfund Payable	30,355	0	0	30,355
Deferred Revenue	0	456,394	0	456,394
<i>Total Liabilities</i>	<u>50,075</u>	<u>456,394</u>	<u>0</u>	<u>506,469</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	31,323	0	0	31,323
Reserved for Property Taxes	0	39,293	0	39,293
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	188,136	0	0	188,136
Debt Service Fund	0	907,748	0	907,748
Capital Projects Funds	0	0	5,740	5,740
<i>Total Fund Balances</i>	<u>219,459</u>	<u>947,041</u>	<u>5,740</u>	<u>1,172,240</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$269,534</u>	<u>\$1,403,435</u>	<u>\$5,740</u>	<u>\$1,678,709</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2008*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$443,928	\$0	\$443,928
Interest	3,662	0	0	3,662
Charges for Services	249,760	0	0	249,760
Extracurricular Activities	60,838	0	0	60,838
Rentals	50,000	0	0	50,000
Contributions and Donations	7,196	0	0	7,196
Intergovernmental	131,050	14,980	5,740	151,770
Miscellaneous	7,178	0	0	7,178
<i>Total Revenues</i>	<u>509,684</u>	<u>458,908</u>	<u>5,740</u>	<u>974,332</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special	40,824	0	0	40,824
Other	1,461	0	0	1,461
Support Services:				
Pupils	35,538	0	0	35,538
Instructional Staff	31,548	0	0	31,548
Fiscal	0	532	0	532
Business	1,538	0	0	1,538
Central	11,545	0	0	11,545
Operation of Non-Instructional Services	884	0	0	884
Operation of Food Services	326,054	0	0	326,054
Extracurricular Activities	154,921	0	0	154,921
Capital Outlay	36,153	0	0	36,153
Debt Service:				
Principal Retirement	0	345,000	0	345,000
Interest and Fiscal Charges	0	46,981	0	46,981
<i>Total Expenditures</i>	<u>640,466</u>	<u>392,513</u>	<u>0</u>	<u>1,032,979</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(130,782)</u>	<u>66,395</u>	<u>5,740</u>	<u>(58,647)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	178,329	0	0	178,329
Transfers Out	(32,329)	0	0	(32,329)
<i>Total Other Financing Sources (Uses)</i>	<u>146,000</u>	<u>0</u>	<u>0</u>	<u>146,000</u>
<i>Net Change in Fund Balances</i>	15,218	66,395	5,740	87,353
<i>Fund Balances Beginning of Year</i>	204,241	880,646	0	1,084,887
<i>Fund Balances End of Year</i>	<u>\$219,459</u>	<u>\$947,041</u>	<u>\$5,740</u>	<u>\$1,172,240</u>

See accompanying notes to the basic financial statements

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2008*

	Food Service	Uniform School Supplies	Adult Education	Public School Support
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$18,197	\$2,700	\$698	\$27,356
Accounts Receivable	121	0	0	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	3,164	0	0	0
Materials and Supplies Inventory	662	1,002	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$22,144</u>	<u>\$3,702</u>	<u>\$698</u>	<u>\$27,356</u>
<b>Liabilities</b>				
Accounts Payable	\$610	\$0	\$0	\$1,154
Accrued Wages	6,535	0	0	0
Intergovernmental Payable	2,915	0	0	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>10,060</u>	<u>0</u>	<u>0</u>	<u>1,154</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	0	0	228
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	12,084	3,702	698	25,974
<i>Total Fund Balances</i>	<u>12,084</u>	<u>3,702</u>	<u>698</u>	<u>26,202</u>
<i>Total Liabilities and Fund Balances:</i>	<u>\$22,144</u>	<u>\$3,702</u>	<u>\$698</u>	<u>\$27,356</u>

Other Grants	District Managed Student Activity	Management Information Systems	Ohio Reads	Alternative Schools	Title I
\$15,642	\$176,328	\$0	\$2,000	\$0	\$0
0	0	0	0	0	0
0	0	0	0	6,613	4,352
0	0	0	0	0	0
0	0	0	0	0	0
0	140	0	0	0	0
<u>\$15,642</u>	<u>\$176,468</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$6,613</u>	<u>\$4,352</u>
\$0	\$5,989	\$0	\$0	\$0	\$0
0	0	2,156	0	0	0
0	0	186	0	123	0
0	0	0	0	6,613	4,448
<u>0</u>	<u>5,989</u>	<u>2,342</u>	<u>0</u>	<u>6,736</u>	<u>4,448</u>
0	31,095	0	0	0	0
15,642	139,384	(2,342)	2,000	(123)	(96)
<u>15,642</u>	<u>170,479</u>	<u>(2,342)</u>	<u>2,000</u>	<u>(123)</u>	<u>(96)</u>
<u>\$15,642</u>	<u>\$176,468</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$6,613</u>	<u>\$4,352</u>

(continued)

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2008*

	Title VI	Drug Free Schools Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$0	\$0	\$0	\$0	\$242,921
Accounts Receivable	0	0	0	0	121
Intergovernmental Receivable	0	918	9,589	52	21,524
Inventory Held for Resale	0	0	0	0	3,164
Materials and Supplies Inventory	0	0	0	0	1,664
Prepaid Items	0	0	0	0	140
<i>Total Assets</i>	<u>\$0</u>	<u>\$918</u>	<u>\$9,589</u>	<u>\$52</u>	<u>\$269,534</u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$7,753
Accrued Wages	0	0	0	0	8,691
Intergovernmental Payable	0	0	52	0	3,276
Interfund Payable	1,031	1,488	16,723	52	30,355
<i>Total Liabilities</i>	<u>1,031</u>	<u>1,488</u>	<u>16,775</u>	<u>52</u>	<u>50,075</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	0	0	0	31,323
Unreserved:					
Undesignated, Reported in:					
Special Revenue Funds	(1,031)	(570)	(7,186)	0	188,136
<i>Total Fund Balances</i>	<u>(1,031)</u>	<u>(570)</u>	<u>(7,186)</u>	<u>0</u>	<u>219,459</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$0</u>	<u>\$918</u>	<u>\$9,589</u>	<u>\$52</u>	<u>\$269,534</u>



**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2008*

	Food Service	Uniform School Supplies	Adult Education	Public School Support
<b>Revenues</b>				
Interest	\$1,428	\$0	\$0	\$0
Charges for Services	249,760	0	0	0
Extracurricular Activities	0	845	0	25,619
Rentals	0	0	0	0
Contributions and Donations	0	0	0	0
Intergovernmental	47,939	0	0	750
Miscellaneous	1,694	0	0	3,606
<i>Total Revenues</i>	<u>300,821</u>	<u>845</u>	<u>0</u>	<u>29,975</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupils	0	0	0	29,473
Instructional Staff	0	0	0	2,156
Business	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	884	0	0
Operation of Food Services	326,054	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	4,403	0	0	0
<i>Total Expenditures</i>	<u>330,457</u>	<u>884</u>	<u>0</u>	<u>31,629</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(29,636)</u>	<u>(39)</u>	<u>0</u>	<u>(1,654)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(29,636)	(39)	0	(1,654)
<i>Fund Balances (Deficit) Beginning of Year</i>	41,720	3,741	698	27,856
<i>Fund Balances (Deficit) End of Year</i>	<u>\$12,084</u>	<u>\$3,702</u>	<u>\$698</u>	<u>\$26,202</u>

(continued)

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2008*

	Other Grants	District Managed Student Activity	Management Information Systems	Entry Year Programs
<b>Revenues</b>				
Interest	\$0	\$2,234	\$0	\$0
Charges for Services	0	0	0	0
Extracurricular Activities	0	34,374	0	0
Rentals	0	50,000	0	0
Contributions and Donations	0	7,196	0	0
Intergovernmental	0	0	5,000	800
Miscellaneous	0	150	0	0
<i>Total Revenues</i>	<u>0</u>	<u>93,954</u>	<u>5,000</u>	<u>800</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupils	1,263	0	0	0
Instructional Staff	0	0	0	800
Business	0	1,538	0	0
Central	0	0	2,545	0
Operation of Non-Instructional Services	0	0	0	0
Operation of Food Services	0	0	0	0
Extracurricular Activities	0	154,921	0	0
Capital Outlay	0	31,750	0	0
<i>Total Expenditures</i>	<u>1,263</u>	<u>188,209</u>	<u>2,545</u>	<u>800</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,263)</u>	<u>(94,255)</u>	<u>2,455</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	146,000	32,329	0
Transfers Out	0	0	(32,329)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>146,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(1,263)	51,745	2,455	0
<i>Fund Balances (Deficit) Beginning of Year</i>	16,905	118,734	(4,797)	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$15,642</u>	<u>\$170,479</u>	<u>(\$2,342)</u>	<u>\$0</u>

<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Alternative Schools</u>	<u>Miscellaneous State Grants</u>	<u>Title I</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
9,000	2,430	0	15,466	2,211	25,274
0	0	1,728	0	0	0
<u>9,000</u>	<u>2,430</u>	<u>1,728</u>	<u>15,466</u>	<u>2,211</u>	<u>25,274</u>
0	0	0	15,454	0	25,370
0	0	0	0	1,461	0
0	0	0	0	2,211	0
0	2,430	0	0	539	0
0	0	0	0	0	0
9,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>9,000</u>	<u>2,430</u>	<u>0</u>	<u>15,454</u>	<u>4,211</u>	<u>25,370</u>
0	0	1,728	12	(2,000)	(96)
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	1,728	12	(2,000)	(96)
0	0	272	(135)	2,000	0
<u>\$0</u>	<u>\$0</u>	<u>\$2,000</u>	<u>(\$123)</u>	<u>\$0</u>	<u>(\$96)</u>

(continued)

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds (continued)  
For the Fiscal Year Ended June 30, 2008*

	Title VI	Drug Free Schools Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Revenues</b>					
Interest	\$0	\$0	\$0	\$0	\$3,662
Charges for Services	0	0	0	0	249,760
Extracurricular Activities	0	0	0	0	60,838
Rentals	0	0	0	0	50,000
Contributions and Donations	0	0	0	0	7,196
Intergovernmental	112	1,836	19,971	261	131,050
Miscellaneous	0	0	0	0	7,178
<i>Total Revenues</i>	<u>112</u>	<u>1,836</u>	<u>19,971</u>	<u>261</u>	<u>509,684</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Special	0	0	0	0	40,824
Other	0	0	0	0	1,461
Support Services:					
Pupils	494	1,836	0	261	35,538
Instructional Staff	0	0	25,623	0	31,548
Business	0	0	0	0	1,538
Central	0	0	0	0	11,545
Operation of Non-Instructional Services	0	0	0	0	884
Operation of Food Services	0	0	0	0	326,054
Extracurricular Activities	0	0	0	0	154,921
Capital Outlay	0	0	0	0	36,153
<i>Total Expenditures</i>	<u>494</u>	<u>1,836</u>	<u>25,623</u>	<u>261</u>	<u>640,466</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(382)</u>	<u>0</u>	<u>(5,652)</u>	<u>0</u>	<u>(130,782)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	0	178,329
Transfers Out	0	0	0	0	(32,329)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>146,000</u>
<i>Net Change in Fund Balances</i>	<u>(382)</u>	<u>0</u>	<u>(5,652)</u>	<u>0</u>	<u>15,218</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(649)</u>	<u>(570)</u>	<u>(1,534)</u>	<u>0</u>	<u>204,241</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$1,031)</u></u>	<u><u>(\$570)</u></u>	<u><u>(\$7,186)</u></u>	<u><u>\$0</u></u>	<u><u>\$219,459</u></u>

## **Combining Statements - Fiduciary Funds**

### ***Fiduciary Funds***

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's trust funds are the special trust and endowment private purpose trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

### ***Private Purpose Trust Funds***

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

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

### ***Agency Funds***

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

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

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Combining Statement of Fiduciary Net Assets*  
*Private Purpose Trust Funds*  
*June 30, 2008*

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	Special Trust	Endowment	Total Private Purpose Trust
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,274	\$270,989	\$275,263
Accrued Interest Receivable	0	10,994	10,994
<i>Total Assets</i>	4,274	281,983	286,257
<b>Liabilities</b>			
Accounts Payable	\$0	\$777	\$777
<b>Net Assets</b>			
Held in Trust for Scholarships	\$4,274	\$281,206	\$285,480

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**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Combining Statement of Changes in Fiduciary Net Assets  
Private Purpose Trust Funds  
For the Fiscal Year Ended June 30, 2008*

	<u>Special Trust</u>	<u>Endowment</u>	<u>Total Private Purpose Trust</u>
<b>Additions</b>			
Interest	\$148	\$20,139	\$20,287
Contributions and Donations	950	12,450	13,400
<i>Total Additions</i>	1,098	32,589	33,687
<b>Deductions</b>			
Scholarships Awarded	1,000	13,590	14,590
<i>Change in Net Assets</i>	98	18,999	19,097
<i>Net Assets Beginning of Year</i>	4,176	262,207	266,383
<i>Net Assets End of Year</i>	<u>\$4,274</u>	<u>\$281,206</u>	<u>\$285,480</u>

**Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Statement of Changes in Assets and Liabilities**Agency Funds**For the Fiscal Year Ended June 30, 2008*

	Beginning Balance 07/01/07	Additions	Deductions	Ending Balance 06/30/08
<b><i>District Agency Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$5,477	\$9,284	\$8,262	\$6,499
<b>Liabilities</b>				
Intergovernmental Payable	\$5,477	\$9,284	\$8,262	\$6,499
 <b><i>Student Managed Activity Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$62,391	\$63,268	\$59,880	\$65,779
<b>Liabilities</b>				
Due to Students	62,391	63,268	59,880	65,779
 <b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$67,868	\$72,552	\$68,142	\$72,278
<b>Liabilities</b>				
Intergovernmental Payable	\$5,477	\$9,284	\$8,262	\$6,499
Due to Students	62,391	63,268	59,880	65,779
<i>Total Liabilities</i>	\$67,868	\$72,552	\$68,142	\$72,278



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

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$10,585,221	\$10,149,045	\$10,149,045	\$0
Tuition and Fees	487,708	467,611	467,611	0
Interest	603,129	578,276	578,276	0
Extracurricular Activities	16,795	16,103	16,103	0
Rentals	1,874	1,797	1,797	0
Intergovernmental	3,769,288	3,613,970	3,613,970	0
Miscellaneous	23,900	26,661	26,661	0
<b>Total Revenues</b>	<b>15,487,915</b>	<b>14,853,463</b>	<b>14,853,463</b>	<b>0</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,245,832	4,093,985	4,093,985	0
Fringe Benefits	1,550,644	1,498,821	1,498,821	0
Purchased Services	39,659	38,819	38,819	0
Materials and Supplies	166,934	171,706	171,706	0
Capital Outlay - New	5,276	5,087	5,087	0
Capital Outlay - Replacement	10,018	11,467	11,467	0
Other	1,653	2,475	2,475	0
<b>Total Regular</b>	<b>6,020,016</b>	<b>5,822,360</b>	<b>5,822,360</b>	<b>0</b>
Special:				
Salaries and Wages	13,970	13,470	13,470	0
Fringe Benefits	2,241	2,161	2,161	0
Purchased Services	851,672	824,651	824,651	0
Materials and Supplies	9,431	9,094	9,094	0
Capital Outlay - New	14,384	13,870	13,870	0
Other	358	345	345	0
<b>Total Special</b>	<b>892,056</b>	<b>863,591</b>	<b>863,591</b>	<b>0</b>
Other:				
Salaries and Wages	66,412	64,037	64,037	0
Fringe Benefits	24,558	23,680	23,680	0
Purchased Services	492,336	512,405	512,405	0
<b>Total Other</b>	<b>583,306</b>	<b>600,122</b>	<b>600,122</b>	<b>0</b>
<b>Total Instruction</b>	<b>\$7,495,378</b>	<b>\$7,286,073</b>	<b>\$7,286,073</b>	<b>\$0</b>

(continued)

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
General Fund (continued)  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Support Services:</b>				
<b>Pupils:</b>				
Salaries and Wages	\$576,362	\$555,749	\$555,749	\$0
Fringe Benefits	170,654	164,551	164,551	0
Purchased Services	247,814	248,604	248,604	0
Materials and Supplies	13,550	13,291	13,291	0
Capital Outlay - New	10,342	10,201	10,201	0
Capital Outlay - Replacement	487	470	470	0
Other	26,144	25,970	16,821	9,149
<b>Total Pupils</b>	<b>1,045,353</b>	<b>1,018,836</b>	<b>1,009,687</b>	<b>9,149</b>
<b>Instructional Staff:</b>				
Salaries and Wages	456,908	440,567	440,567	0
Fringe Benefits	179,228	172,818	172,818	0
Purchased Services	34,537	33,425	33,425	0
Materials and Supplies	11,706	12,897	12,897	0
Capital Outlay - Replacement	931	898	898	0
Other	752	725	725	0
<b>Total Instructional Staff</b>	<b>684,062</b>	<b>661,330</b>	<b>661,330</b>	<b>0</b>
<b>Board of Education:</b>				
Salaries and Wages	25,336	24,430	24,430	0
Fringe Benefits	4,249	4,097	4,097	0
Purchased Services	28,120	27,114	27,114	0
Materials and Supplies	1,435	1,398	1,398	0
Other	10,932	10,541	10,541	0
<b>Total Board of Education</b>	<b>70,072</b>	<b>67,580</b>	<b>67,580</b>	<b>0</b>
<b>Administration:</b>				
Salaries and Wages	923,937	890,894	890,894	0
Fringe Benefits	394,219	380,120	380,120	0
Purchased Services	105,648	127,270	127,270	0
Materials and Supplies	12,587	13,594	13,594	0
Capital Outlay - New	6,513	6,280	6,280	0
Other	23,707	30,260	30,260	0
<b>Total Administration</b>	<b>\$1,466,611</b>	<b>\$1,448,418</b>	<b>\$1,448,418</b>	<b>\$0</b>

(continued)

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
General Fund (continued)  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Fiscal:</b>				
Salaries and Wages	\$215,059	\$207,368	\$207,368	\$0
Fringe Benefits	151,152	145,806	145,806	0
Purchased Services	31,924	32,237	32,237	0
Materials and Supplies	7,829	7,812	7,812	0
Capital Outlay - New	822	793	793	0
Other	216,532	208,788	208,788	0
<b>Total Fiscal</b>	<b>623,318</b>	<b>602,804</b>	<b>602,804</b>	<b>0</b>
<b>Business:</b>				
Purchased Services	109,739	115,873	115,873	0
Materials and Supplies	18,995	19,527	19,527	0
Capital Outlay - New	3,486	3,361	3,361	0
<b>Total Business</b>	<b>132,220</b>	<b>138,761</b>	<b>138,761</b>	<b>0</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	673,541	649,453	649,453	0
Fringe Benefits	241,680	233,037	233,037	0
Purchased Services	577,940	692,747	692,747	0
Materials and Supplies	72,181	93,877	93,877	0
Capital Outlay - New	10,242	9,876	9,876	0
Capital Outlay - Replacement	3,626	3,746	3,746	0
<b>Total Operation and Maintenance of Plant</b>	<b>1,579,210</b>	<b>1,682,736</b>	<b>1,682,736</b>	<b>0</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	502,170	484,211	484,211	0
Fringe Benefits	181,136	174,658	174,658	0
Purchased Services	83,102	86,663	86,663	0
Materials and Supplies	79,928	83,902	83,902	0
Capital Outlay - New	352	839	839	0
<b>Total Pupil Transportation</b>	<b>\$846,688</b>	<b>\$830,273</b>	<b>\$830,273</b>	<b>\$0</b>

(continued)

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
General Fund (continued)  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$27,512	\$26,528	\$26,528	\$0
Fringe Benefits	6,425	6,195	6,195	0
Purchased Services	84,363	81,346	81,346	0
Materials and Supplies	85,515	83,007	83,007	0
Capital Outlay - New	41,771	56,451	56,451	0
<b>Total Central</b>	<b>245,586</b>	<b>253,527</b>	<b>253,527</b>	<b>0</b>
<b>Total Support Services</b>	<b>6,693,120</b>	<b>6,704,265</b>	<b>6,695,116</b>	<b>9,149</b>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	9,236	8,906	8,906	0
Fringe Benefits	1,954	1,884	1,884	0
Purchased Services	5,697	5,493	5,493	0
Materials and Supplies	10,291	9,923	9,923	0
Capital Outlay - New	150	145	145	0
Capital Outlay - Replacement	422	407	407	0
<b>Total Food Service Operations</b>	<b>27,750</b>	<b>26,758</b>	<b>26,758</b>	<b>0</b>
Community Services:				
Salaries and Wages	53,704	51,783	51,783	0
Fringe Benefits	8,063	7,775	7,775	0
Purchased Services	6,462	7,360	7,360	0
Materials and Supplies	1,906	1,838	1,838	0
Capital Outlay - New	198	191	191	0
<b>Total Community Services</b>	<b>70,333</b>	<b>68,947</b>	<b>68,947</b>	<b>0</b>
<b>Total Operation of Non-Instructional Services:</b>	<b>\$98,083</b>	<b>\$95,705</b>	<b>\$95,705</b>	<b>\$0</b>

(continued)

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
General Fund (continued)  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	\$52,935	\$51,042	\$51,042	\$0
Fringe Benefits	8,818	8,503	8,503	0
Purchased Services	15,627	15,068	15,068	0
Materials and Supplies	1,090	1,051	1,051	0
Other	14,874	14,342	14,342	0
<b>Total Academic Oriented Activities</b>	<b>93,344</b>	<b>90,006</b>	<b>90,006</b>	<b>0</b>
Sport Oriented Activities:				
Salaries and Wages	463,282	446,713	446,713	0
Fringe Benefits	107,384	103,544	103,544	0
Purchased Services	74,990	72,308	72,308	0
<b>Total Sport Oriented Activities</b>	<b>645,656</b>	<b>622,565</b>	<b>622,565</b>	<b>0</b>
Co-Curricular Activities:				
Salaries and Wages	26,209	24,823	24,823	0
Fringe Benefits	4,268	4,115	4,115	0
<b>Total Co-Curricular Activities</b>	<b>30,477</b>	<b>28,938</b>	<b>28,938</b>	<b>0</b>
<b>Total Extracurricular Activities</b>	<b>769,477</b>	<b>741,509</b>	<b>741,509</b>	<b>0</b>
<b>Total Expenditures</b>	<b>15,056,058</b>	<b>14,827,552</b>	<b>14,818,403</b>	<b>9,149</b>
<b>Excess of Revenues Over Expenditures</b>	<b>431,857</b>	<b>25,911</b>	<b>35,060</b>	<b>9,149</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	0	1,650	1,650	0
Advances In	1,267	1,267	1,267	0
Advances Out	(29,760)	(29,760)	(29,760)	0
Transfers In	282,538	155,978	32,329	(123,649)
Transfers Out	(365,863)	(239,752)	(178,329)	61,423
<b>Total Other Financing Sources (Uses)</b>	<b>(111,818)</b>	<b>(110,617)</b>	<b>(172,843)</b>	<b>(62,226)</b>
<b>Net Change in Fund Balance</b>	<b>320,039</b>	<b>(84,706)</b>	<b>(137,783)</b>	<b>(53,077)</b>
<b>Fund Balance Beginning of Year - Restated (See Note 3)</b>	<b>8,139,644</b>	<b>8,139,644</b>	<b>8,139,644</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>310,404</b>	<b>310,404</b>	<b>310,404</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$8,770,087</b>	<b>\$8,365,342</b>	<b>\$8,312,265</b>	<b>(\$53,077)</b>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Permanent Improvement Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$217,649	\$1,113,668	\$1,113,668	\$0
Interest	518	2,650	2,650	0
Rentals	2,150	11,001	11,001	0
Miscellaneous	6,512	33,322	31,972	(1,350)
<i>Total Revenues</i>	<u>226,829</u>	<u>1,160,641</u>	<u>1,159,291</u>	<u>(1,350)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	218	308	308	0
Support Services:				
Pupils:				
Purchased Services	53,642	104,077	103,715	362
Materials and Supplies	44,954	90,802	86,655	4,147
Capital Outlay - New	144,218	207,205	205,757	1,448
<i>Total Pupils</i>	<u>242,814</u>	<u>402,084</u>	<u>396,127</u>	<u>5,957</u>
Business:				
Materials and Supplies	1,770	2,500	2,500	0
Capital Outlay - New	553	781	781	0
<i>Total Business</i>	<u>2,323</u>	<u>3,281</u>	<u>3,281</u>	<u>0</u>
Operation and Maintenance of Plant:				
Purchased Services	323,903	583,064	582,466	598
Materials and Supplies	105	2,165	2,165	0
Capital Outlay - New	75,191	107,527	107,527	0
<i>Total Operation and Maintenance of Plant</i>	<u>399,199</u>	<u>692,756</u>	<u>692,158</u>	<u>598</u>
Pupil Transportation:				
Capital Outlay - New	\$107,965	\$152,534	\$152,534	\$0

(continued)

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Permanent Improvement Fund (continued)  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Purchased Services	\$111,602	\$157,830	\$170,530	(\$12,700)
Materials and Supplies	35,896	50,714	50,714	0
Capital Outlay - New	60,388	85,316	84,360	956
<b>Total Central</b>	<b>207,886</b>	<b>293,860</b>	<b>305,604</b>	<b>(11,744)</b>
<b>Total Support Services</b>	<b>960,187</b>	<b>1,544,515</b>	<b>1,549,704</b>	<b>(5,189)</b>
Capital Outlay:				
Building Improvement Services:				
Capital Outlay - Replacement	11,096	15,676	15,676	0
<b>Total Expenditures</b>	<b>971,501</b>	<b>1,560,499</b>	<b>1,565,688</b>	<b>(5,189)</b>
<b>Net Change in Fund Balance</b>	<b>(744,672)</b>	<b>(399,858)</b>	<b>(406,397)</b>	<b>(6,539)</b>
<b>Fund Balance Beginning of Year</b>	<b>417,334</b>	<b>417,334</b>	<b>417,334</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>187,959</b>	<b>187,959</b>	<b>187,959</b>	<b>0</b>
<b>Fund Balance (Deficit) End of Year</b>	<b>(\$139,379)</b>	<b>\$205,435</b>	<b>\$198,896</b>	<b>(\$6,539)</b>



**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Food Service Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$1,906	\$2,000	\$1,428	(\$572)
Charges for Services	237,580	249,291	249,760	469
Intergovernmental	50,951	53,463	53,400	(63)
Miscellaneous	1,499	1,573	1,573	0
<i>Total Revenues</i>	<u>291,936</u>	<u>306,327</u>	<u>306,161</u>	<u>(166)</u>
<b>Expenditures</b>				
Operation of Food Service:				
Salaries and Wages	110,571	129,781	129,781	0
Fringe Benefits	41,732	48,982	48,982	0
Purchased Services	17,920	21,033	21,033	0
Materials and Supplies	103,833	121,873	121,873	0
Capital Outlay - Replacement	3,751	4,403	4,403	0
<i>Total Expenditures</i>	<u>277,807</u>	<u>326,072</u>	<u>326,072</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	14,129	(19,745)	(19,911)	(166)
<i>Fund Balance Beginning of Year</i>	<u>38,108</u>	<u>38,108</u>	<u>38,108</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$52,237</u>	<u>\$18,363</u>	<u>\$18,197</u>	<u>(\$166)</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Uniform School Supplies Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$1,972	\$167	\$845	\$678
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Other:				
Materials and Supplies	2,855	1,950	0	1,950
<i>Net Change in Fund Balance</i>	(883)	(1,783)	845	2,628
<i>Fund Balance Beginning of Year</i>	1,855	1,855	1,855	0
<i>Fund Balance End of Year</i>	<u>\$972</u>	<u>\$72</u>	<u>\$2,700</u>	<u>\$2,628</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Adult Education Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tuition and Fees	\$13	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	0	698	0	698
<i>Net Change in Fund Balance</i>	13	(698)	0	698
<i>Fund Balance Beginning of Year</i>	698	698	698	0
<i>Fund Balance End of Year</i>	<u>\$711</u>	<u>\$0</u>	<u>\$698</u>	<u>\$698</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Public School Support Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$26,035	\$25,619	\$25,619	\$0
Intergovernmental	762	750	750	0
Miscellaneous	3,665	3,606	3,606	0
<i>Total Revenues</i>	<u>30,462</u>	<u>29,975</u>	<u>29,975</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	32,901	38,975	23,411	15,564
Materials and Supplies	8,462	10,182	4,788	5,394
Capital Outlay - Replacement	844	1,000	0	1,000
Other	4,347	5,510	1,502	4,008
<i>Total Pupils</i>	<u>46,554</u>	<u>55,667</u>	<u>29,701</u>	<u>25,966</u>
Instructional Staff:				
Fringe Benefits	1,028	1,219	1,219	0
Materials and Supplies	797	945	937	8
<i>Total Instructional Staff</i>	<u>1,825</u>	<u>2,164</u>	<u>2,156</u>	<u>8</u>
<i>Total Expenditures</i>	<u>48,379</u>	<u>57,831</u>	<u>31,857</u>	<u>25,974</u>
<i>Net Change in Fund Balance</i>	<u>(17,917)</u>	<u>(27,856)</u>	<u>(1,882)</u>	<u>25,974</u>
<i>Fund Balance Beginning of Year</i>	<u>27,333</u>	<u>27,333</u>	<u>27,333</u>	<u>0</u>
Prior Year Encumbrances Appropriated	523	523	523	0
<i>Fund Balance End of Year</i>	<u>\$9,939</u>	<u>\$0</u>	<u>\$25,974</u>	<u>\$25,974</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Other Grants Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$3,063	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	13,473	13,473	343	13,130
Materials and Supplies	1,682	1,682	920	762
Other	1,350	1,350	0	1,350
<i>Total Expenditures</i>	16,505	16,505	1,263	15,242
<i>Net Change in Fund Balance</i>	(13,442)	(16,505)	(1,263)	15,242
<i>Fund Balance Beginning of Year</i>	16,505	16,505	16,505	0
Prior Year Encumbrances Appropriated	400	400	400	0
<i>Fund Balance End of Year</i>	\$3,463	\$400	\$15,642	\$15,242

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
District Managed Student Activity Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$563	\$2,289	\$2,234	(\$55)
Extracurricular Activities	10,279	41,816	41,816	0
Rentals	12,291	50,000	50,000	0
Contributions and Donations	1,769	7,196	7,196	0
Miscellaneous	36	150	150	0
<i>Total Revenues</i>	<u>24,938</u>	<u>101,451</u>	<u>101,396</u>	<u>(55)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Business:				
Purchased Services	420	1,659	1,655	4
Extracurricular Activities:				
Academic Oriented Activities:				
Materials and Supplies	59	231	231	0
Capital Outlay - New	26	104	104	0
<i>Total Academic Oriented Activities</i>	<u>85</u>	<u>335</u>	<u>335</u>	<u>0</u>
Sport Oriented Activities:				
Purchased Services	15,204	63,145	55,616	7,529
Materials and Supplies	19,164	81,145	73,500	7,645
Capital Outlay - New	5,248	20,918	20,913	5
Capital Outlay - Replacement	1,350	5,327	5,252	75
Other	7,629	30,255	27,160	3,095
<i>Total Sport Oriented Activities</i>	<u>48,595</u>	<u>200,790</u>	<u>182,441</u>	<u>18,349</u>
<i>Total Extracurricular Activities</i>	<u>48,680</u>	<u>201,125</u>	<u>182,776</u>	<u>18,349</u>
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	12,668	50,000	32,829	17,171
Architecture and Engineering Services:				
Purchased Services	110	437	0	437
Facilities Acquisition and Construction Services:				
Capital Outlay - Replacement	430	1,697	0	1,697
<i>Total Capital Outlay</i>	<u>13,208</u>	<u>52,134</u>	<u>32,829</u>	<u>19,305</u>
<i>Total Expenditures</i>	<u>62,308</u>	<u>254,918</u>	<u>217,260</u>	<u>37,658</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(37,370)</u>	<u>(153,467)</u>	<u>(115,864)</u>	<u>37,603</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	146,000	146,000	146,000	0
Transfers Out	(61,786)	(61,786)	0	61,786
<i>Total Other Financing Sources (Uses)</i>	<u>84,214</u>	<u>84,214</u>	<u>146,000</u>	<u>61,786</u>
<i>Net Change in Fund Balance</i>	<u>46,844</u>	<u>(69,253)</u>	<u>30,136</u>	<u>99,389</u>
<i>Fund Balance Beginning of Year</i>	<u>102,881</u>	<u>102,881</u>	<u>102,881</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>8,992</u>	<u>8,992</u>	<u>8,992</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$158,717</u>	<u>\$42,620</u>	<u>\$142,009</u>	<u>\$99,389</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Management Information Systems Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$5,000	\$5,000	\$5,000	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Salaries and Wages	4,048	4,048	4,048	0
Purchased Services	952	952	952	0
<i>Total Expenditures</i>	5,000	5,000	5,000	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0	0
<b>Other Financing Sources (Uses)</b>				
Transfers In	11,751	32,329	32,329	0
Transfers Out	(20,000)	(32,329)	(32,329)	0
<i>Total Other Financing Sources (Uses)</i>	(8,249)	0	0	0
<i>Net Change in Fund Balance</i>	(8,249)	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$8,249)	\$0	\$0	\$0

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Entry Year Programs Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$0	\$800	\$800	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Other	0	800	800	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0



**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Data Communication Fund  
For the Fiscal Year Ended June 30, 2008*

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

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
SchoolNet Professional Development Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$2,594	\$2,700	\$2,430	(\$270)
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	2,700	2,700	2,430	270
<i>Net Change in Fund Balance</i>	(106)	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$106)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Ohio Reads Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,997	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(3)	(2,000)	0	2,000
<i>Fund Balance Beginning of Year</i>	4	4	4	0
Prior Year Encumbrances Appropriated	1,996	1,996	1,996	0
<i>Fund Balance End of Year</i>	<u>\$1,997</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$2,000</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Alternative Schools Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$11,786	\$12,481	\$9,276	(\$3,205)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	13,193	10,928	10,928	0
Fringe Benefits	2,037	1,687	1,687	0
Purchased Services	1,047	2,451	2,451	0
Materials and Supplies	1,992	1,876	1,876	0
Capital Outlay - New	0	1,172	1,172	0
Other	402	334	334	0
<i>Total Expenditures</i>	<u>18,671</u>	<u>18,448</u>	<u>18,448</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,885)</u>	<u>(5,967)</u>	<u>(9,172)</u>	<u>(3,205)</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	6,613	6,613	6,613	0
Advances Out	(423)	(423)	(423)	0
<i>Total Other Financing Sources (Uses)</i>	<u>6,190</u>	<u>6,190</u>	<u>6,190</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(695)	223	(2,982)	(3,205)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	2,982	2,982	2,982	0
<i>Fund Balance End of Year</i>	<u>\$2,287</u>	<u>\$3,205</u>	<u>\$0</u>	<u>(\$3,205)</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Miscellaneous State Grants Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$6,211	\$2,211	\$2,211	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Other:				
Salaries and Wages	1,461	1,461	1,461	0
Support Services:				
Pupils:				
Purchased Services	1,500	1,500	1,500	0
Materials and Supplies	711	711	711	0
Total Pupils	2,211	2,211	2,211	0
Instructional Staff:				
Purchased Services	539	539	539	0
Total Support Services	2,750	2,750	2,750	0
<i>Total Expenditures</i>	4,211	4,211	4,211	0
<i>Net Change in Fund Balance</i>	2,000	(2,000)	(2,000)	0
<i>Fund Balance Beginning of Year</i>	2,000	2,000	2,000	0
<i>Fund Balance End of Year</i>	\$4,000	\$0	\$0	\$0

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Title I Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$20,922	\$20,922	\$20,922	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Purchased Services	25,370	25,370	25,370	0
<i>Excess of Revenues Under Expenditures</i>	(4,448)	(4,448)	(4,448)	0
<b>Other Financing Sources</b>				
Advances In	4,448	4,448	4,448	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Title VI Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$112	\$112	\$112	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	518	518	494	24
Purchased Services	600	600	0	600
<i>Total Expenditures</i>	<u>1,118</u>	<u>1,118</u>	<u>494</u>	<u>624</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,006)</u>	<u>(1,006)</u>	<u>(382)</u>	<u>624</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	1,006	1,630	1,006	(624)
Advances Out	0	(624)	(624)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,006</u>	<u>1,006</u>	<u>382</u>	<u>(624)</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Drug Free Schools Grant Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$921	\$921	\$918	(\$3)
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	1,600	1,600	1,600	0
Fringe Benefits	239	239	236	3
<i>Total Expenditures</i>	<u>1,839</u>	<u>1,839</u>	<u>1,836</u>	<u>3</u>
<i>Excess of Revenues Under Expenditures</i>	(918)	(918)	(918)	0
<b>Other Financing Sources</b>				
Advances In	918	918	918	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Improving Teacher Quality Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$3,203	\$10,601	\$10,382	(\$219)
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	4,000	4,000	4,000	0
Fringe Benefits	1,000	1,000	1,000	0
Purchased Services	15,115	22,104	21,885	219
<i>Total Expenditures</i>	20,115	27,104	26,885	219
<i>Excess of Revenues Under Expenditures</i>	(16,912)	(16,503)	(16,503)	0
<b>Other Financing Sources (Uses)</b>				
Advances In	16,723	16,723	16,723	0
Advances Out	0	(220)	(220)	0
<i>Total Other Financing Sources (Uses)</i>	16,723	16,503	16,503	0
<i>Net Change in Fund Balance</i>	(189)	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$189)	\$0	\$0	\$0

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Miscellaneous Federal Grants Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$210	\$209	\$209	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	262	261	261	0
<i>Excess of Revenues Under Expenditures</i>	(52)	(52)	(52)	0
<b>Other Financing Sources</b>				
Advances In	52	52	52	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Bond Retirement Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$514,433	\$431,753	\$429,584	(\$2,169)
Intergovernmental	17,849	14,980	14,980	0
<i>Total Revenues</i>	<u>532,282</u>	<u>446,733</u>	<u>444,564</u>	<u>(2,169)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal Services:				
Other	0	532	532	0
Debt Service:				
Principal Retirement	345,000	345,000	345,000	0
Interest and Fiscal Charges	46,981	46,981	46,981	0
<i>Total Debt Service</i>	<u>391,981</u>	<u>391,981</u>	<u>391,981</u>	<u>0</u>
<i>Total Expenditures</i>	<u>391,981</u>	<u>392,513</u>	<u>392,513</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	140,301	54,220	52,051	(2,169)
<i>Fund Balance Beginning of Year</i>	<u>839,797</u>	<u>839,797</u>	<u>839,797</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$980,098</u>	<u>\$894,017</u>	<u>\$891,848</u>	<u>(\$2,169)</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
School Net Fund  
For the Fiscal Year Ended June 30, 2008*

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

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenses and Changes  
In Fund Equity - Budget (Non-GAAP) and Actual  
Employee Benefits Self Insurance Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$278,543	\$219,725	\$225,036	\$5,311
<b>Expenses</b>				
Claims	219,000	219,000	133,698	85,302
<i>Net Change in Fund Equity</i>	59,543	725	91,338	90,613
<i>Fund Equity (Deficit) Beginning of Year - Restated (See Note 3)</i>	(40,159)	(40,159)	(40,159)	0
Prior Year Encumbrances Appropriated	2,500	2,500	2,500	0
<i>Fund Equity (Deficit) End of Year</i>	<u>\$21,884</u>	<u>(\$36,934)</u>	<u>\$53,679</u>	<u>\$90,613</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenses and Changes  
In Fund Equity - Budget (Non-GAAP) and Actual  
Special Trust Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$29	\$147	\$148	\$1
Contributions and Donations	189	950	950	0
<i>Total Revenues</i>	218	1,097	1,098	1
<b>Expenses</b>				
Other	4,306	3,355	1,000	2,355
<i>Net Change in Fund Equity</i>	(4,088)	(2,258)	98	2,356
<i>Fund Equity Beginning of Year</i>	3,026	3,026	3,026	0
Prior Year Encumbrances Appropriated	1,150	1,150	1,150	0
<i>Fund Equity End of Year</i>	<u>\$88</u>	<u>\$1,918</u>	<u>\$4,274</u>	<u>\$2,356</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Schedule of Revenues, Expenses and Changes  
In Fund Equity - Budget (Non-GAAP) and Actual  
Endowment Fund  
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$29,655	\$4,240	\$14,008	\$9,768
Contributions and Donations	74,101	10,595	12,450	1,855
<i>Total Revenues</i>	103,756	14,835	26,458	11,623
<b>Expenses</b>				
Other	56,000	56,764	12,813	43,951
<i>Net Change in Fund Equity</i>	47,756	(41,929)	13,645	55,574
<i>Fund Equity Beginning of Year</i>	257,344	257,344	257,344	0
<i>Fund Equity End of Year</i>	<u>\$305,100</u>	<u>\$215,415</u>	<u>\$270,989</u>	<u>\$55,574</u>

**Cuyahoga Heights Local School District**

**Excellence in Education  
Since 1938**

**A Hall of Fame School**



## Statistical Section

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

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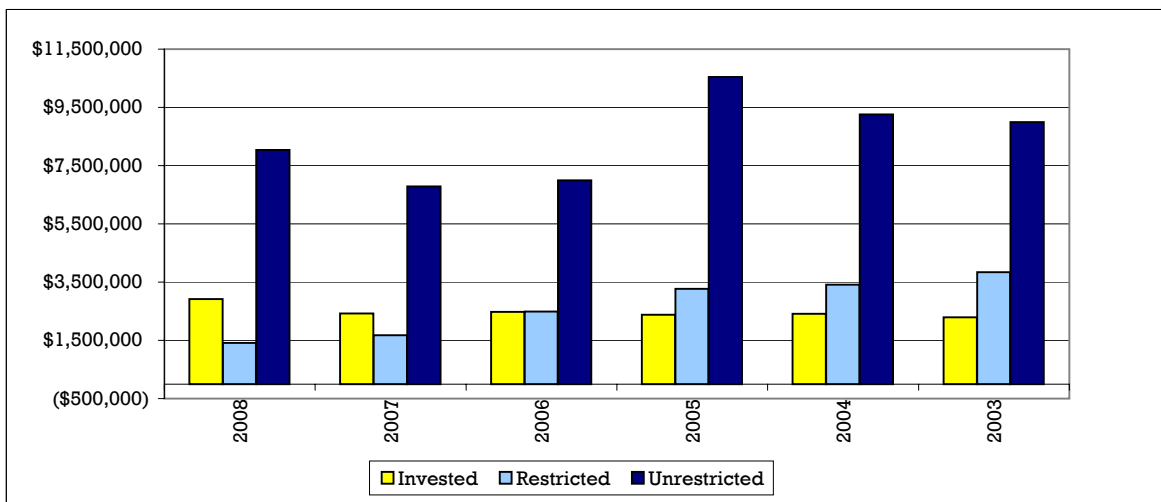
<b>Contents</b>	<b>Pages(s)</b>
<b>Financial Trends</b> .....	<b>S2 – S7</b>
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	<b>S8 – S17</b>
These schedules contain information to help the reader assess the School District's most significant local revenue, property tax.	
<b>Debt Capacity</b> .....	<b>S18 – S22</b>
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b> .....	<b>S23 – S25</b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
<b>Operating Information</b> .....	<b>S26 – S36</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

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

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

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

	2008	2007	2006	2005	2004	2003
Invested in Capital Assets, Net of Related Debt	\$2,921,927	\$2,427,998	\$2,482,279	\$2,384,038	\$2,413,155	\$2,294,417
Restricted for:						
Capital Projects	203,791	572,855	1,421,037	2,056,488	2,476,282	2,895,540
Debt Service	940,833	853,475	871,352	1,021,332	866,556	849,852
Set Asides	64,523	61,699	57,595	65,528	0	0
Other Purposes	207,526	191,108	140,940	124,920	67,172	90,286
Unrestricted	8,035,197	6,787,270	6,993,260	10,549,110	9,261,157	8,998,844
<b>Total Net Assets</b>	<b>\$12,373,797</b>	<b>\$10,894,405</b>	<b>\$11,966,463</b>	<b>\$16,201,416</b>	<b>\$15,084,322</b>	<b>\$15,128,939</b>



**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

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

	2008	2007	2006	2005	2004	2003
<b>Expenses</b>						
Regular Instruction	\$5,794,544	\$6,156,227	\$6,076,163	\$5,838,255	\$5,869,465	\$5,447,311
Special Instruction	918,337	825,587	745,597	680,459	687,407	659,473
Adult/Continuing Instruction	0	0	1,169	2	0	0
Other Instruction	511,308	465,390	368,873	252,397	170,213	167,038
Pupil Support	1,404,783	1,453,779	1,261,126	1,061,112	1,187,486	1,248,812
Instructional Staff Support	706,863	708,825	783,289	770,127	794,617	633,995
Board of Education	70,736	60,436	79,361	49,590	54,524	42,170
Administration	1,439,936	1,477,953	1,382,244	1,229,688	1,303,747	1,126,840
Fiscal	562,305	630,950	571,031	550,112	541,022	591,842
Business	137,018	123,027	121,023	122,223	137,322	94,061
Operation and Maintenance of Plant	2,136,883	2,150,284	2,265,590	2,021,402	1,944,830	1,726,282
Pupil Transportation	914,736	871,818	831,449	751,603	742,184	722,946
Central Support	501,819	70,720	36,357	35,305	44,575	58,479
Operation of Non-Instructional Services	132,732	137,234	166,492	166,091	167,100	158,581
Operation of Food Services	329,448	296,721	294,962	291,518	322,173	258,752
Extracurricular Activities	889,491	866,657	882,647	802,769	888,586	710,221
Interest and Fiscal Charges	105,913	41,447	106,292	85,065	241,747	207,727
<b>Total Expenses</b>	<b>16,556,852</b>	<b>16,337,055</b>	<b>15,973,665</b>	<b>14,707,718</b>	<b>15,096,998</b>	<b>13,854,530</b>
<b>Program Revenues</b>						
<b>Charges for Services</b>						
Regular Instruction	192,328	156,053	123,135	269,318	163,087	32,063
Special Instruction	29,210	20,591	13,291	0	0	0
Other Instruction	17,044	12,248	7,000	0	0	0
Pupil Support	70,075	52,998	45,785	29,946	37,448	29,815
Instructional Staff Support	24,139	17,269	13,705	1,104	0	0
Board of Education	2,365	1,591	1,506	0	0	0
Administration	48,091	38,887	25,060	0	0	0
Fiscal	18,734	16,500	11,276	0	0	0
Business	5,235	2,862	2,062	0	0	0
Operation and Maintenance of Plant	51,982	41,409	28,767	0	3,127	6
Pupil Transportation	28,356	21,181	14,436	0	0	0
Central Support	8,294	354	56	0	0	0
Operation of Non-Instructional Services	3,664	2,218	2,173	0	7,185	2,116
Operation of Food Service	249,760	235,286	214,337	184,404	176,958	157,991
Extracurricular Activities	107,717	108,204	54,762	51,125	79,574	58,139
Operating Grants and Contributions	138,246	129,954	109,891	160,880	157,218	165,654
Capital Grants and Contributions	8,564	4,104	0	8,295	0	10,693
<b>Total Program Revenues</b>	<b>1,003,804</b>	<b>861,709</b>	<b>667,242</b>	<b>705,072</b>	<b>624,597</b>	<b>456,477</b>
<b>Net Expense</b>	<b>(15,553,048)</b>	<b>(15,475,346)</b>	<b>(15,306,423)</b>	<b>(14,002,646)</b>	<b>(14,472,401)</b>	<b>(13,398,053)</b>
<b>General Revenues</b>						
<b>Property Taxes Levied for:</b>						
General Purposes	11,221,389	10,519,294	7,943,040	12,335,490	10,862,710	9,729,494
Debt Service	490,050	409,247	239,302	487,408	408,992	470,956
Capital Outlay	1,113,668	704,687	642,657	295,583	1,300,312	987,594
<b>Grants and Entitlements not</b>						
Restricted to Specific Programs	3,623,298	2,613,134	1,693,177	1,695,142	1,693,106	1,577,643
Investment Earnings	519,398	590,666	441,151	175,730	99,268	226,552
Gain on Sale of Capital Assets	1,284	0	0	0	0	0
Miscellaneous	63,353	77,574	112,143	130,387	63,405	17,342
<b>Total General Revenues</b>	<b>17,032,440</b>	<b>14,914,602</b>	<b>11,071,470</b>	<b>15,119,740</b>	<b>14,427,793</b>	<b>13,009,581</b>
<b>Change in Net Assets</b>	<b>\$1,479,392</b>	<b>(\$560,744)</b>	<b>(\$4,234,953)</b>	<b>\$1,117,094</b>	<b>(\$44,608)</b>	<b>(\$388,472)</b>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund				
Reserved	\$1,141,501	\$1,078,033	\$995,751	\$1,251,794
Unreserved	<u>6,688,425</u>	<u>6,472,788</u>	<u>4,862,325</u>	<u>4,459,747</u>
<i>Total General Fund</i>	<u>7,829,926</u>	<u>7,550,821</u>	<u>5,858,076</u>	<u>5,711,541</u>
All Other Governmental Funds				
Reserved	100,388	198,591	1,048,208	965,341
Unreserved, Undesignated, Reported in:				
Special Revenue funds	188,136	197,529	170,561	101,619
Debt Service funds	907,748	844,288	0	0
Capital Projects funds	<u>193,032</u>	<u>417,334</u>	<u>1,208,180</u>	<u>1,858,163</u>
<i>Total All Other Governmental Funds</i>	<u>1,389,304</u>	<u>1,657,742</u>	<u>2,426,949</u>	<u>2,925,123</u>
<i>Total Governmental Funds</i>	<u>\$9,219,230</u>	<u>\$9,208,563</u>	<u>\$8,285,025</u>	<u>\$8,636,664</u>

2004	2003	2002	2001	2000	1999
\$1,003,746	\$1,073,464	\$1,630,956	\$994,191	\$904,955	\$1,192,327
3,362,117	3,998,646	5,808,285	6,601,974	5,761,839	4,438,130
4,365,863	5,072,110	7,439,241	7,596,165	6,666,794	5,630,457
996,262	660,658	723,138	790,672	691,276	1,383,800
17,358	61,612	28,954	(235,946)	(247,031)	(741,842)
0	0	0	0	0	0
2,142,577	2,122,889	1,428,271	565,787	511,246	713,913
3,156,197	2,845,159	2,180,363	1,120,513	955,491	1,355,871
<b>\$7,522,060</b>	<b>\$7,917,269</b>	<b>\$9,619,604</b>	<b>\$8,716,678</b>	<b>\$7,622,285</b>	<b>\$6,986,328</b>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

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

	2008	2007	2006	2005
<b>Revenues</b>				
Property and Other Local Taxes	\$11,969,820	\$12,794,129	\$12,954,788	\$13,270,203
Intergovernmental	3,762,912	2,745,835	1,823,502	1,834,337
Interest	519,398	652,673	398,016	171,298
Tuition and Fees	467,495	362,884	261,684	250,620
Extracurricular Activities	76,941	72,067	81,330	87,292
Contributions and Donations	7,196	1,357	0	0
Charges for Services	249,760	235,286	214,337	184,404
Rentals	62,798	57,414	0	0
Lease Revenue	0	0	0	0
Miscellaneous	63,353	77,574	112,143	157,157
<i>Total Revenues</i>	<u>17,179,673</u>	<u>16,999,219</u>	<u>15,845,800</u>	<u>15,955,311</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	5,765,741	5,615,524	5,791,380	5,605,679
Special	930,412	805,309	733,463	676,129
Adult/Continuing	0	0	1,159	2
Other	511,308	465,390	365,716	252,397
Support Services:				
Pupils	1,306,667	1,366,440	1,423,037	1,068,736
Instructional Staff	684,423	703,031	749,530	724,930
Board of Education	70,736	60,436	78,682	49,590
Administration	1,469,078	1,389,247	1,309,293	1,243,065
Fiscal	604,891	592,873	589,136	542,951
Business	134,819	115,231	113,916	149,655
Operation and Maintenance of Plant	2,096,515	2,101,079	2,331,452	2,017,815
Pupil Transportation	870,133	807,827	859,077	700,954
Central	498,755	70,720	36,046	35,305
Operation of Non-Instructional Services	84,986	84,919	132,921	127,824
Operation of Food Services	326,054	289,538	271,451	257,211
Extracurricular Activities	876,511	841,695	830,811	758,613
Capital Outlay	1,722,382	1,687,773	0	0
Debt Service:				
Principal Retirement	365,710	340,000	499,416	512,882
Interest and Fiscal Charges	69,685	54,263	78,382	76,666
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>18,388,806</u>	<u>17,391,295</u>	<u>16,194,868</u>	<u>14,800,404</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,209,133)</u>	<u>(392,076)</u>	<u>(349,068)</u>	<u>1,154,907</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	1,650	430	0	265
Proceeds of Bonds	0	0	0	0
Premium on Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Capital Lease Issued	1,218,150	968,230	0	0
Transfers In	210,658	110,940	296,786	331,844
Transfers Out	(210,658)	(110,940)	(296,786)	(331,844)
<i>Total Other Financing Sources (Uses)</i>	<u>1,219,800</u>	<u>968,660</u>	<u>0</u>	<u>265</u>
<i>Net Change in Fund Balances</i>	<u>\$10,667</u>	<u>\$576,584</u>	<u>(\$349,068)</u>	<u>\$1,155,172</u>
 Debt Service as a Percentage of Noncapital Expenditures	 2.61%	 2.59%	 3.57%	 3.98%

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

2004	2003	2002	2001	2000	1999
\$11,817,932	\$10,187,458	\$12,267,153	\$11,922,728	\$11,588,156	\$11,832,611
1,846,416	1,728,052	1,553,851	1,272,753	1,221,955	1,150,104
139,182	311,553	360,192	825,453	389,550	345,708
157,495	18,600	0	34,855	48,789	3,955
119,681	87,960	68,664	0	63,667	0
0	0	0	0	0	0
176,958	157,991	0	0	0	0
0	0	0	0	0	0
0	0	0	0	500,000	0
76,650	74,642	38,471	129,553	37,342	81,925
<u>14,334,314</u>	<u>12,566,256</u>	<u>14,288,331</u>	<u>14,185,342</u>	<u>13,849,459</u>	<u>13,414,303</u>
5,237,743	5,586,900	5,127,836	4,916,555	4,654,780	4,638,008
686,567	652,574	620,265	479,447	416,633	392,826
0	0	0	0	163,511	109,703
170,213	167,038	110,803	195,940	0	0
1,224,839	1,363,757	1,078,842	1,340,407	1,160,456	1,104,593
753,644	617,924	793,181	689,281	614,719	511,198
54,524	42,170	241,064	80,136	49,105	45,722
1,251,586	1,120,305	1,116,432	1,069,044	969,105	776,680
550,798	590,258	456,560	514,475	440,326	488,215
143,532	91,526	79,166	49,187	87,403	85,112
1,998,811	1,700,371	1,609,681	1,592,944	1,358,667	1,306,020
839,890	701,773	723,219	686,819	575,051	546,238
44,426	58,744	79,855	54,653	41,193	48,848
113,299	125,147	98,606	110,421	74,653	69,409
249,257	213,073	0	0	0	0
814,315	654,604	634,890	548,728	522,543	529,225
15,688	21,894	0	159,405	1,400,535	644,178
403,413	383,275	382,463	381,347	361,380	342,188
183,861	213,197	231,933	254,998	284,887	308,939
67,923	0	0	0	0	0
<u>14,804,329</u>	<u>14,304,530</u>	<u>13,384,796</u>	<u>13,123,787</u>	<u>13,174,947</u>	<u>11,947,102</u>
<u>(470,015)</u>	<u>(1,738,274)</u>	<u>903,535</u>	<u>1,061,555</u>	<u>674,512</u>	<u>1,467,201</u>
1,815	877	2,199	1,220	333	1,199
2,905,000	0	0	0	0	0
139,423	0	0	0	0	0
(2,976,500)	0	0	0	0	0
0	0	0	27,395	0	0
246,909	306,786	261,786	266,786	303,786	283,786
<u>(246,909)</u>	<u>(306,786)</u>	<u>(261,786)</u>	<u>(266,786)</u>	<u>(353,786)</u>	<u>(353,786)</u>
<u>69,738</u>	<u>877</u>	<u>2,199</u>	<u>28,615</u>	<u>(49,667)</u>	<u>(68,801)</u>
<u>(\$400,277)</u>	<u>(\$1,737,397)</u>	<u>\$905,734</u>	<u>\$1,090,170</u>	<u>\$624,845</u>	<u>\$1,398,400</u>
4.43%	4.18%	4.59%	4.91%	5.49%	5.76%

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2008	\$99,768,090	\$213,211,940	\$894,228,657	\$26,734,530	\$30,380,148
2007	99,386,810	212,995,760	892,521,629	29,061,090	33,023,966
2006	89,215,040	197,780,160	819,986,286	28,215,490	32,063,057
2005	88,752,780	197,007,300	816,457,371	30,043,900	34,140,795
2004	88,421,440	193,896,440	806,622,514	31,854,220	36,197,977
2003	81,611,360	187,873,050	769,955,457	31,012,900	35,241,932
2002	81,271,550	188,458,070	770,656,057	34,947,430	39,712,989
2001	80,632,990	183,759,740	755,407,800	48,671,460	55,308,477
2000	72,320,520	167,184,270	684,299,400	45,215,580	51,381,341
1999	71,785,000	157,393,180	654,794,800	49,539,070	56,294,398

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

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

Source: Cuyahoga County Auditor



Tangible Personal Property					Weighted Average Tax Rate (per 1,000 of Assessed Value)
General Business		Totals			
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio	
\$48,209,520	\$771,352,320	\$387,924,080	\$1,695,961,125	22.9	\$19.88526
136,711,315	1,072,245,608	478,154,975	1,997,791,202	23.9	26.19657
151,652,772	808,814,784	466,863,462	1,660,864,127	28.1	26.43190
155,938,714	623,754,856	471,742,694	1,474,353,023	32.0	26.54406
166,742,233	666,968,932	480,914,333	1,509,789,424	31.9	22.34407
185,285,290	741,141,160	485,782,600	1,546,338,549	31.4	22.29744
217,514,923	870,059,692	522,191,973	1,680,428,738	31.1	22.41224
227,216,434	908,865,736	540,280,624	1,719,582,013	31.4	23.09218
225,461,771	901,847,084	510,182,141	1,637,527,825	31.2	23.59382
217,943,263	871,773,052	496,660,513	1,582,862,250	31.4	23.60347

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

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

	2007	2006	2005	2004	2003
<b>Unvoted Millage</b>					
Operating	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>
<b>Voted Millage - by levy</b>					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	4.62807	4.62961	5.16779	5.16605	5.58664
Commercial/Industrial	5.09163	5.10240	5.37643	5.47726	5.70732
Tangible/Public Utility Personal	6.60000	6.60000	6.60000	6.60000	6.60000
1981 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.10367	2.10437	2.34900	2.34821	2.53938
Commercial/Industrial	2.31438	2.31927	2.44383	2.48966	2.59424
Tangible/Public Utility Personal	3.00000	3.00000	3.00000	3.00000	3.00000
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.66464	2.66553	2.97540	2.97439	3.21655
Commercial/Industrial	2.93154	2.93775	3.09552	3.15357	3.28603
Tangible/Public Utility Personal	3.80000	3.80000	3.80000	3.80000	3.80000
1991 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	0.35061	0.35073	0.39150	0.39137	0.42323
Commercial/Industrial	0.38573	0.38655	0.40731	0.41494	0.43237
Tangible/Public Utility Personal	0.50000	0.50000	0.50000	0.50000	0.50000
1992 Bond (\$5,000,000)	1.10000	1.00000	1.00000	1.00000	1.00000
1997 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	3.43599	3.43713	3.83670	3.83540	4.14766
Commercial/Industrial	3.78015	3.78815	3.99159	4.06645	4.23726
Tangible/Public Utility Personal	4.90000	4.90000	4.90000	4.90000	4.90000
2003 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	4.05923	4.06059	4.53262	4.53110	0.00000
Commercial/Industrial	4.37140	4.38065	4.61591	4.70248	0.00000
Tangible/Public Utility Personal	4.90000	4.90000	4.90000	4.90000	0.00000
<b>Total Effective Voted Millage by type of property</b>					
Residential/Agricultural	18.34221	18.24796	20.25300	20.24652	16.91346
Commercial/Industrial	19.97483	19.91476	20.93058	21.30437	17.25722
Tangible/Public Utility Personal	<u>24.80000</u>	<u>24.70000</u>	<u>24.70000</u>	<u>24.70000</u>	<u>19.80000</u>
<b>Total Millage by type of property</b>					
Residential/Agricultural	\$22.44221	\$22.34796	\$24.35300	\$24.34652	\$21.01346
Commercial/Industrial	\$24.07483	\$24.01476	\$25.03058	\$25.40437	\$21.35722
Tangible/Public Utility Personal	<u>\$28.90000</u>	<u>\$28.80000</u>	<u>\$28.80000</u>	<u>\$28.80000</u>	<u>\$23.90000</u>

Source: Cuyahoga County Auditor

2002	2001	2000	1999	1998
<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>	<u>\$4.10000</u>
5.58664	5.58192	5.58192	6.00304	6.05114
5.70732	5.67831	5.68909	6.50249	6.50941
6.60000	6.60000	6.60000	6.60000	6.60000
2.53938	2.53724	2.53724	2.72866	2.75052
2.59424	2.58105	2.58595	2.95568	2.95882
3.00000	3.00000	3.00000	3.00000	3.00000
3.21655	3.21383	3.21383	3.45630	3.48399
3.28603	3.26933	3.27554	3.74386	3.74784
3.80000	3.80000	3.80000	3.80000	3.80000
0.42323	0.42287	0.42287	0.45478	0.45842
0.43237	0.43018	0.43099	0.49261	0.49314
0.50000	0.50000	0.50000	0.50000	0.50000
1.00000	0.90000	0.90000	1.00000	1.00000
4.14766	4.14415	4.14415	4.45680	4.49251
4.23726	4.21572	4.22372	4.82761	4.83274
4.90000	4.90000	4.90000	4.90000	4.90000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
16.91346	16.80001	16.80001	18.09958	18.23657
17.25722	17.07458	17.10530	19.52225	19.54195
<u>19.80000</u>	<u>19.70000</u>	<u>19.70000</u>	<u>19.80000</u>	<u>19.80000</u>
\$21.01346	\$20.90001	\$20.90001	\$22.19958	\$22.33657
\$21.35722	\$21.17458	\$21.20530	\$23.62225	\$23.64195
<u>\$23.90000</u>	<u>\$23.80000</u>	<u>\$23.80000</u>	<u>\$23.90000</u>	<u>\$23.90000</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

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

	2007	2006	2005	2004	2003
<b>Overlapping Rates by Taxing District</b>					
<b>Village of Brooklyn Heights Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	\$4.40000	\$4.40000	\$4.40000	\$4.40000	\$4.40000
Commercial/Industrial	4.40000	4.40000	4.40000	4.40000	4.40000
Tangible/Public Utility Personal	4.40000	4.40000	4.40000	4.40000	4.40000
<b>Village of Cuyahoga Heights Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	4.40000	4.40000	4.40000	4.40000	4.40000
Commercial/Industrial	4.40000	4.40000	4.40000	4.40000	4.40000
Tangible/Public Utility Personal	4.40000	4.40000	4.40000	4.40000	4.40000
<b>Village of Valley View Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	5.33324	5.33324	5.43835	5.43904	5.43904
Commercial/Industrial	5.61326	5.61770	5.66338	5.70503	5.70503
Tangible/Public Utility Personal	7.10000	7.10000	7.10000	7.10000	7.10000
<b>Cuyahoga County Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	11.86887	11.86549	11.72274	10.98959	10.98986
Commercial/Industrial	12.45356	12.49410	12.58806	12.04332	12.04332
Tangible/Public Utility Personal	13.42000	13.42000	13.52000	13.52000	13.52000
<b>Cuyahoga Valley JVSD Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	2.00000	2.00000	2.00000	2.00000	2.00000
Commercial/Industrial	2.00000	2.00000	2.00000	2.00000	2.00000
Tangible/Public Utility Personal	2.00000	2.00000	2.00000	2.00000	2.00000
<b>Cleveland Metro Parks Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	1.67205	1.67151	1.84645	1.16611	1.16611
Commercial/Industrial	1.71248	1.71874	1.85000	1.31660	1.31660
Tangible/Public Utility Personal	1.85000	1.85000	1.85000	1.55000	1.55000
<b>Cuyahoga County Library Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	1.80864	1.80928	1.99354	1.15925	1.15925
Commercial/Industrial	1.87190	1.87640	2.00000	1.17151	1.17151
Tangible/Public Utility Personal	2.00000	2.00000	2.00000	1.40000	1.40000
<b>Cuyahoga Community College Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	2.39231	2.39151	2.34519	2.34792	2.34792
Commercial/Industrial	2.56253	2.57221	2.59612	2.58018	2.58018
Tangible/Public Utility Personal	2.80000	2.80000	2.80000	2.80000	2.80000
<b>Cleveland-Cuyahoga Port Authority Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	0.09463	0.09459	0.10491	0.10503	0.10503
Commercial/Industrial	0.10487	0.10526	0.11356	0.11286	0.11286
Tangible/Public Utility Personal	0.13000	0.13000	0.13000	0.13000	0.13000

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

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

**Source:** Cuyahoga County Auditor

2002	2001	2000	1999	1998
\$4.40000	\$4.40000	\$4.40000	\$4.40000	\$4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000
5.50963	5.50840	5.50911	5.66571	5.66820
5.75622	5.75707	5.76178	6.06176	6.06330
7.10000	7.10000	7.10000	7.10000	7.10000
12.46089	11.38145	11.39664	11.41129	11.42301
12.87635	12.00228	11.92973	12.37354	12.40646
14.65000	14.65000	14.65000	13.75000	13.75000
2.00000	2.00000	2.00000	2.00000	2.00000
2.00000	2.00000	2.00000	2.00000	2.00000
2.00000	2.00000	2.00000	2.00000	2.00000
1.27583	1.27715	1.20124	1.37667	1.42947
1.34467	1.33346	1.32474	1.45388	1.50834
1.55000	1.55000	1.55000	1.50000	1.55000
1.25646	1.25829	1.26103	1.39753	1.13148
1.20502	1.19851	1.20058	1.38845	1.26746
1.40000	1.40000	1.40000	1.40000	1.40000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000

**Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Principal Real Property Taxpayers  
December 31, 2007 and December 31, 1998*

<u>Taxpayer</u>	<u>December 31, 2007</u>	
	<u>Real Property Assessed Valuation</u>	<u>Percentage of Real Assessed Valuation</u>
Cleveland Electric Illuminating Company	\$26,063,100	8.33%
Plain Dealer Publishing Company	21,461,020	6.86
Duck Creek Energy, Inc.	14,001,670	4.47
American Transmission Systems, Inc.	13,702,550	4.38
Ridge Park Square LLC	9,642,110	3.08
Tiedman Developers LLC	8,638,320	2.76
American Greeting Corporation	8,450,940	2.70
CA II, LLC	7,870,910	2.51
Charter Steel - Cleveland, Inc.	7,022,540	2.24
Troy Combs Property LLC	5,578,480	1.78
<b>Total</b>	<b>\$122,431,640</b>	<b>39.12%</b>
<b>Total Real Assessed Valuation</b>	<b>\$312,980,030</b>	

<u>Taxpayer</u>	<u>December 31, 1998</u>	
	<u>Real Property Assessed Valuation</u>	<u>Percentage of Real Assessed Valuation</u>
Cleveland Electric Illuminating Company	\$69,043,310	30.13%
Plain Dealer Publishing Company	26,332,250	11.49
ISG Cleveland Inc.	11,728,510	5.12
Charter Steel - Cleveland, Inc.	8,228,570	3.59
Ridge Park Square LLC	7,162,140	3.13
American Greeting Corporation	6,481,200	2.83
Westbrook Village Apartments, LLC.	5,027,400	2.19
Troy Combs Property LLC	4,621,160	2.02
Ohio Bell Telephone Company	3,832,270	1.67
Aluminum Company of America (ALCOA)	3,620,650	1.58
<b>Total</b>	<b>\$146,077,460</b>	<b>63.74%</b>
<b>Total Real Assessed Valuation</b>	<b>\$229,178,180</b>	

NOTE: Property Assessed at 35% of Fair Market Value

Real property taxes paid in 2008 are based on January 1, 2007 values.

Real property taxes paid in 1998 are based on January 1, 1997 values.

Source: Cuyahoga County Auditor

**Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Principal Personal Property Taxpayers  
December 31, 2007 and December 31, 1998*

Taxpayer	December 31, 2007	
	Personal Property Assessed Valuation	Percentage of Personal Assessed Valuation
Aluminum Company of America (ALCOA)	\$17,311,820	35.91%
ISG Inc. - Cleveland	7,528,780	15.62
Charter Manufacturing Co.	5,417,160	11.24
Gibraltar Strip Steel, Inc.	4,256,460	8.83
Northern Stamping, Inc.	2,123,570	4.40
North American Manufacturing Co.	2,012,790	4.18
Valley Ford Truck Sales	1,852,160	3.84
St. Ives Inc., Cleveland	1,567,570	3.25
Cleveland Freightliner, Inc.	1,468,570	3.05
Ferro Corporation	1,445,260	3.00
<b>Total</b>	<b>\$44,984,140</b>	<b>93.31%</b>
<b>Total Personal Property Assessed Valuation</b>	<b>\$48,209,520</b>	

Taxpayer	December 31, 1998	
	Personal Property Assessed Valuation	Percentage of Personal Assessed Valuation
Aluminum Company of America (ALCOA)	\$29,725,670	13.64%
American Steel & Wire Corporation	28,553,100	13.10
LTV Steel Co., Inc.	21,600,660	9.91
U.S. West Financial	6,080,700	2.79
Gibraltar Strip Steel, Inc.	5,448,980	2.50
North American Manufacturing Co.	5,086,230	2.33
Ferro Corporation	4,357,860	2.00
Columbia National Group, Inc.	3,811,040	1.75
Perlmutter Printing Co.	3,583,950	1.64
Park Ohio Industries, Inc.	2,714,100	1.25
<b>Total</b>	<b>\$110,962,290</b>	<b>50.91%</b>
<b>Total Personal Property Assessed Valuation</b>	<b>\$217,943,263</b>	

NOTE: Property Assessed at 25 percent for everything except inventories, which are assessed at 23 percent.  
 Personal property taxes paid in 2007 are based on December 31, 2007 values.  
 Personal property taxes paid in 1998 are based on December 31, 1998 values.

Source: Cuyahoga County Auditor

**Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Principal Public Utility Property Taxpayers  
December 31, 2007 and December 31, 1998*

Taxpayer	December 31, 2007	
	Public Utility Property Assessed Valuation	Percentage of Public Utility Assessed Valuation
Ohio Bell Telephone Co.	\$694,660	2.60%
Alltel Ohio Limited Partner	261,720	0.98
New Par	260,130	0.97
New Cingular Wireless PCS LLC	189,930	0.71
Teletronic Services, Inc.	175,860	0.66
T-Mobile Central, LLC	76,150	0.28
Sprintcom, Inc.	70,990	0.27
Cleveland Unlimited, Inc.	31,530	0.12
Qwest Communications	20,980	0.08
Sprint Communications Inc.	20,160	0.08
<b>Total</b>	<b>\$1,802,110</b>	<b>6.74%</b>
<b>Total Public Utility Assessed Valuation</b>	<b>\$26,734,530</b>	

Taxpayer	December 31, 1998	
	Public Utility Property Assessed Valuation	Percentage of Public Utility Assessed Valuation
Cleveland Electric Illuminating Company	\$29,524,620	59.60%
Ohio Bell Telephone Co.	3,832,270	7.74
East Ohio Gas	2,885,530	5.82
Perlmutter Printing Co.	1,184,480	2.39
Alltel Ohio Limited Partner	429,710	0.87
Teligent Services Inc.	237,240	0.48
Newburgh & South Shore	111,040	0.22
Ohio Telephone & Telegraph	101,410	0.20
CSX Transportation Inc.	90,010	0.18
ICG Ohio Linx Inc.	89,070	0.18
<b>Total</b>	<b>\$38,485,380</b>	<b>77.69%</b>
<b>Total Public Utility Assessed Valuation</b>	<b>\$49,539,070</b>	

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

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

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

Source: Cuyahoga County Auditor



**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Property Tax Levies and Collections (1)*  
*Last Ten Years*

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2007	\$8,124,911	\$7,585,137	93.36%	\$177,529	\$7,762,666	95.54%
2006	8,124,911	7,657,512	94.25	217,391	7,874,903	96.92
2005	7,922,431	7,597,041	95.89	219,529	7,816,570	98.66
2004	6,796,252	6,642,811	97.74	351,610	6,994,421	102.92
2003	6,138,098	6,063,551	98.79	320,949	6,384,500	104.01
2002	5,511,204	5,459,517	99.06	238,251	5,697,768	103.39
2001	6,259,705	6,364,499	101.67	474,916	6,839,415	109.26
2000	6,643,384	6,366,637	95.83	249,680	6,616,317	99.59
1999	6,536,875	6,337,307	96.95	102,201	6,439,508	98.51
1998	6,407,914	6,279,194	97.99	109,320	6,388,514	99.70

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2008 information cannot be presented because all collections have not been made by June 30, 2008.
- (3) The County does not maintain delinquency information by tax year.

**Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

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

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Obligation Bonded Debt		
			General Bonded Debt Outstanding	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2008	4,336	\$1,695,961,125	\$1,545,000	0.09%	\$356.32
2007	4,336	1,997,791,202	1,890,000	0.09%	435.89
2006	4,120	1,660,864,127	2,230,000	0.13%	541.26
2005	4,168	1,474,353,023	2,729,416	0.19%	654.85
2004	4,216	1,509,789,424	3,242,298	0.21%	769.05
2003	4,266	1,546,338,549	3,638,660	0.24%	852.94
2002	4,284	1,680,428,738	4,012,364	0.24%	936.59
2001	4,308	1,719,582,013	4,368,785	0.25%	1,014.11
2000	4,331	1,637,527,825	4,708,280	0.29%	1,087.11
1999	4,334	1,582,862,250	5,031,187	0.32%	1,160.86

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

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

(3) Median Income can be Found on S24

(4) Student Information can be Found on S25

General Debt		
Total Debt	Ratio of Total Debt to Median Income (3)	Total Debt per Student (4)
\$1,545,000	0.00%	\$1,771.79
1,890,000	57.19	2,155.07
2,230,000	67.46	2,534.09
2,729,416	82.65	3,151.75
3,242,298	98.07	3,731.07
3,638,660	111.61	4,394.52
4,012,364	120.80	4,834.17
4,368,785	131.53	5,207.13
4,708,280	141.75	5,652.20
5,031,187	161.79	5,989.51

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Computation of Legal Debt Margin  
Last Ten Fiscal Years*

	2008	2007	2006	2005	2004
Assessed Valuation (1)	<u>\$387,924,080</u>	<u>\$478,154,975</u>	<u>\$466,863,462</u>	<u>\$471,742,694</u>	<u>\$480,914,333</u>
Debt Limit - 9% of Assessed Value (2)	\$34,913,167	\$43,033,948	\$42,017,712	\$42,456,842	\$43,282,290
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	1,545,000	1,890,000	2,230,000	2,565,000	2,905,000
Energy Conservation Bonds	0	0	0	164,416	337,298
Less Amount Available in Debt Service	<u>(947,041)</u>	<u>(880,646)</u>	<u>(817,048)</u>	<u>(737,048)</u>	<u>(626,394)</u>
Total	597,959	1,009,354	1,412,952	1,992,368	2,615,904
Exemptions:					
Energy Conservation Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>(164,416)</u>	<u>(337,298)</u>
Amount of Debt Subject to Limit	<u>597,959</u>	<u>1,009,354</u>	<u>1,412,952</u>	<u>1,827,952</u>	<u>2,278,606</u>
Legal Debt Margin	<u>\$34,315,208</u>	<u>\$42,024,594</u>	<u>\$40,604,760</u>	<u>\$40,628,890</u>	<u>\$41,003,684</u>
Legal Debt Margin as a Percentage of the Debt Limit	98.29%	97.65%	96.64%	95.69%	94.74%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$387,924	\$478,155	\$466,863	\$471,743	\$480,914
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$387,924</u>	<u>\$478,155</u>	<u>\$466,863</u>	<u>\$471,743</u>	<u>\$480,914</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%

**Source:** Cuyahoga County Auditor and School District Financial Records

(1) Starting in fiscal year 2006, HB 530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

(2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

2003	2002	2001	2000	1999
<u>\$485,782,600</u>	<u>\$522,191,973</u>	<u>\$540,280,624</u>	<u>\$510,182,141</u>	<u>\$496,660,513</u>
\$43,720,434	\$46,997,278	\$48,625,256	\$45,916,393	\$44,699,446
3,145,000	3,370,000	3,585,000	3,790,000	3,985,000
493,660	642,364	783,785	918,280	1,046,187
(565,788)	(555,889)	(484,575)	(399,663)	(333,989)
3,072,872	3,456,475	3,884,210	4,308,617	4,697,198
(493,660)	(642,364)	(783,785)	(918,280)	(1,046,187)
2,579,212	2,814,111	3,100,425	3,390,337	3,651,011
<u>\$41,141,222</u>	<u>\$44,183,167</u>	<u>\$45,524,831</u>	<u>\$42,526,056</u>	<u>\$41,048,435</u>
94.10%	94.01%	93.62%	92.62%	91.83%
\$485,783	\$522,192	\$540,281	\$510,182	\$496,661
0	0	0	0	0
<u>\$485,783</u>	<u>\$522,192</u>	<u>\$540,281</u>	<u>\$510,182</u>	<u>\$496,661</u>
100.00%	100.00%	100.00%	100.00%	100.00%

**Cuyahoga Heights Local School District**

Cuyahoga County, Ohio

*Computation of Direct and Overlapping Governmental Activities Debt  
June 30, 2008*

<u>Political Subdivision</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable To County (1)</u>	<u>Amount Applicable To County</u>
<b>Direct Debt</b>			
Cuyahoga Heights Local School District	<u>\$1,545,000</u>	100.00%	<u>\$1,545,000</u>
<b>Overlapping</b>			
Village of Brooklyn Heights	395,000	19.80%	78,210
Village of Valley View	2,805,000	34.90%	978,945
Cuyahoga County	188,814,000	1.89%	3,568,585
Regional Transit Authority	<u>147,400,000</u>	1.89%	<u>2,785,860</u>
<i>Total Overlapping</i>	<u>339,414,000</u>		<u>7,411,600</u>
<i>Totals</i>	<u><u>\$340,959,000</u></u>		<u><u>\$8,956,600</u></u>

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

Source: Cuyahoga County Auditor

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Principal Employers*  
*December 31, 2007 and December 31, 2006 (1)*

December 31, 2007			
Employer	City	Nature of Business	Employees
ISG Cleveland Inc.	Cuyahoga Heights	Steel Manufacturing	1,440
ALCOA	Cuyahoga Heights	Aluminum Manufacturing	1,200
Safeguard Properties	Brooklyn Heights	Real Estate	500
St. Ives	Cuyahoga Heights	Printing	420
Kaiser Foundation	Brooklyn Heights	Healthcare Insurance	360
Weltman Weinberg & Reis	Brooklyn Heights	Law Firm	335
The North American Manufacturing Co.	Cuyahoga Heights	Manufacturing	315
Northeast Ohio Regional Sewer	Cuyahoga Heights	Public Utility Sewer	292
Northern Stamping Acquisition	Valley View	Manufacturing	250
Asset Acceptance LLC	Brooklyn Heights	Consulting	219
Charter Manufacturing Company Inc.	Cuyahoga Heights	Steel Manufacturing	213
<b>Total</b>			<b>5,544</b>
<b>Total Employment within the School District</b>			<b>8,000</b>

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

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

(1) Information prior to 2006 is not available.

## Cuyahoga Heights Local School District

Cuyahoga County, Ohio

### *Demographic and Economic Statistics Last Ten Years*

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<u>Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income</u>	<u>Median Age</u>
2008	4,336	\$106,964,784	\$24,669	\$33,377	42.7
2007	4,336	106,964,784	24,669	33,047	42.0
2006	4,120	101,636,280	24,669	33,055	44.2
2005	4,168	102,820,392	24,669	33,024	44.2
2004	4,216	104,004,504	24,669	33,062	42.0
2003	4,266	105,237,954	24,669	32,602	42.0
2002	4,284	105,681,996	24,669	33,215	42.0
2001	4,308	106,274,052	24,669	33,215	42.0
2000	4,331	106,841,439	24,669	33,215	42.0
1999	4,334	96,526,848	22,272	31,097	39.3

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

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



Average Daily Membership	Unemployment Rates			Total Assessed Property Value
	Cuyahoga County	State of Ohio	United States	
872	8.7%	7.2%	6.3%	\$387,924,080
877	3.9%	5.6%	4.7%	478,154,975
880	5.4%	5.2%	4.8%	466,863,462
866	6.5%	6.1%	5.2%	471,742,694
869	6.8%	6.4%	5.8%	480,914,333
828	7.2%	6.8%	6.5%	485,782,600
830	6.1%	6.0%	6.0%	522,191,973
839	4.7%	4.4%	4.7%	540,280,624
833	4.5%	4.2%	4.1%	510,182,141
840	4.9%	4.5%	4.5%	496,660,513

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

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

<b>Staff Type</b>	2008	2007	2006	2005	2004
Teaching Staff:					
Elementary School	25	26	24	24	24
Middle School	13	12	9	10	10
High School	21	21	25	26	26
Other	2	2	2	2	2
Administration:					
District	7	7	7	7	8
Auxiliary Staff:					
Counselors	4	5	4	4	3
Speech	1	1	1	1	1
Nurses and Mental Health Specialists	5	4	4	4	3
Support Staff:					
Secretarial, Finance Clerks, EMIS	11	13	10	11	12
Aides	8	10	10	11	11
Student Monitors, Pool Managers, Fitness Center	3	3	4	5	5
Cooks	5	5	7	7	7
Custodial	7	8	7	7	8
Maintenance	6	7	11	11	11
Bus Drivers	6	9	11	11	11
Mechanics	1	1	1	1	1
Extracurricular Coaches	20	20	20	21	24
<b>Total</b>	<b>145</b>	<b>154</b>	<b>157</b>	<b>163</b>	<b>167</b>

<b>Staff Function</b>	2008	2007	2006	2005	2004
Instruction:					
Regular	60	59	58	60	60
Other	4	2	11	11	9
Support Services:					
Pupil	20	24	14	16	16
Administration	7	7	6	6	7
Fiscal	3	3	3	4	4
Operation and Maintenance	13	17	25	24	26
Pupil Transportation	7	12	12	12	12
Central	11	10	8	9	9
Extracurricular Activities	20	20	20	21	24
<b>Totals</b>	<b>145</b>	<b>154</b>	<b>157</b>	<b>163</b>	<b>167</b>

2003	2002	2001	2000	1999
24	24	24	24	23
10	10	11	9	9
25	25	25	26	25
2	1	1	1	1
8	8	8	8	7
4	4	4	4	4
1	1	1	1	1
1	0	0	0	0
12	13	14	14	14
11	10	8	9	7
6	4	6	5	5
7	7	7	7	8
8	8	7	7	8
10	11	10	11	11
11	10	8	8	8
1	1	1	1	1
23	22	23	20	19
<u>164</u>	<u>159</u>	<u>158</u>	<u>155</u>	<u>151</u>

2003	2002	2001	2000	1999
59	59	60	59	57
8	6	6	6	6
17	14	14	14	12
7	7	7	7	6
3	4	4	4	4
25	26	24	25	27
12	11	9	9	9
10	10	11	11	11
23	22	23	20	19
<u>164</u>	<u>159</u>	<u>158</u>	<u>155</u>	<u>151</u>

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

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

	2008	2007	2006	2005	2004
<b>High School</b>					
Constructed in 1938					
Total Building Square Footage	233,229	233,229	233,229	233,229	233,229
Student Capacity	800	800	800	800	800
Student Enrollment	534	517	514	493	485
<b>Elementary School</b>					
Constructed in 1952					
Total Building Square Footage	91,852	91,852	91,852	91,852	91,852
Student Capacity	800	800	800	800	800
Student Enrollment	338	374	366	373	384
<b>Gymnasium/Pool</b>					
Constructed in 1978					
Total Building Square Footage	18,070	18,070	18,070	18,070	18,070
<b>North/South Bus Garage</b>					
Constructed in 1957					
Total Building Square Footage	5,250	5,250	5,250	5,250	5,250
<b>East/West Bus Garage</b>					
Constructed in 1938					
Total Building Square Footage	5,400	5,400	5,400	5,400	5,400
<b>Storage Building</b>					
Constructed in 2001					
Total Building Square Footage	550	550	550	550	550

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

2003	2002	2001	2000	1999
233,229	233,229	233,229	233,229	233,229
800	800	800	800	800
474	463	452	446	444
91,852	91,852	91,852	91,852	91,852
800	800	800	800	800
354	367	387	387	396
18,070	18,070	18,070	18,070	18,070
5,250	5,250	5,250	5,250	5,250
5,400	5,400	5,400	5,400	5,400
550	550	550	0	0

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Operating Statistics*  
*Last Ten Fiscal Years*

Fiscal Year	Governmental Activities		Governmental Funds		Average Daily Membership
	Expenses (1)	Expense Per Pupil	Expenditures (2)	Expenditure Per Pupil	
2008	\$16,556,852	\$18,987	\$18,388,806	\$21,088	872
2007	16,337,055	18,628	17,391,295	19,830	877
2006	15,973,665	18,152	16,194,868	18,403	880
2005	14,707,718	16,984	14,800,404	17,091	866
2004	15,097,007	17,373	14,804,329	17,036	869
2003	13,854,530	16,733	14,304,530	17,276	828
2002	n/a	n/a	13,384,796	16,126	830
2001	n/a	n/a	13,123,787	15,642	839
2000	n/a	n/a	13,174,947	15,816	833
1999	n/a	n/a	11,947,102	14,223	840

Source: School District Records  
Ohio Department of Education

(1) Information prior to 2003 is not available.

(2) Based upon accrual less debt service expenditures

ADM Percentage Change	Student Attendance Percentage	Students on Free and Reduced Lunch	Percent of Students on Free and Reduced Luch	Teaching Staff	Pupil/ Teacher Ratio
-0.57%	96.3%	116	13.3%	64	13.6
-0.34%	95.9%	101	11.5%	65	13.5
1.62%	96.6%	78	8.9%	65	13.5
-0.35%	95.4%	54	6.2%	60	14.4
4.95%	95.7%	51	5.9%	60	14.5
-0.24%	96.0%	21	2.5%	59	14.0
-1.07%	95.9%	19	2.3%	59	14.1
0.72%	95.8%	19	2.3%	60	14.0
-0.83%	96.0%	19	2.3%	59	14.1
#DIV/0!	97.0%	8	1.0%	57	14.7

**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Teacher Education and Experience*  
June 30, 2008

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<b>Education</b>	<b>Number of Teachers</b>	<b>Percentage of Teachers</b>	<b>Salary Range</b>	<b>Average Salary</b>
Bachelor's Degree	5	7.8%	\$31,708 - \$75,598	\$50,909
Bachelor's Degree + 18 Hours	13	20.3%	\$33,294 - \$77,497	67,729
Master's Degree	27	42.2%	\$34,878 - \$79,395	67,651
Master's Degree + 18 Hours	18	28.1%	\$36,464 - \$81,294	81,663
PhD	1	1.6%	\$38,049 - \$85,015	88,899
<b>Total</b>	<b>64</b>	<b>100.0%</b>		

<b>Experience</b>	<b>Number of Teachers</b>	<b>Percentage of Teachers</b>	<b>Salary Range</b>	<b>Average Salary</b>
0 - 5 Years	20	31.3%	\$31,708 - \$53,576	\$52,543
6 - 10 Years	7	10.9%	\$50,386 - \$64,283	64,370
11 - 20 Years	18	28.1%	\$63,030 - \$81,295	77,403
More than 20 Years	19	29.7%	\$75,598 - \$85,015	85,565
<b>Total</b>	<b>64</b>	<b>100.0%</b>		

**Source:** Cuyahoga Heights LSD, Treasurer's Office

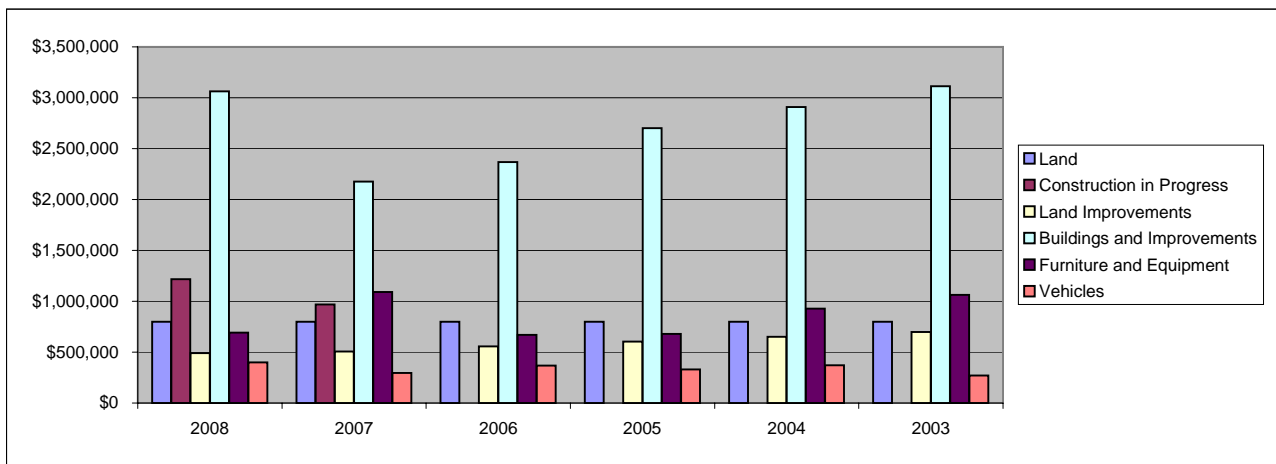


**Cuyahoga Heights Local School District**  
Cuyahoga County, Ohio

*Capital Assets Statistics*  
*Last Six Fiscal Years*

	2008	2007	2006	2005	2004	2003
<b>Capital Assets:</b>						
Land	\$798,600	\$798,600	\$798,600	\$798,600	\$798,600	\$798,600
Construction in Progress	1,218,150	968,230	0	0	0	0
Land Improvements	491,943	507,805	555,285	602,765	650,245	697,725
Buildings and Improvements	3,062,970	2,174,416	2,368,945	2,702,826	2,908,323	3,111,943
Furniture and Equipment	692,526	580,471	669,701	680,540	928,384	1,062,370
Vehicles	400,186	296,428	367,415	328,723	369,901	269,490
<b>Total Capital Assets</b>	<b>\$6,664,375</b>	<b>\$5,325,950</b>	<b>\$4,759,946</b>	<b>\$5,113,454</b>	<b>\$5,655,453</b>	<b>\$5,940,128</b>

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



## Cuyahoga Heights Local School District

Cuyahoga County, Ohio

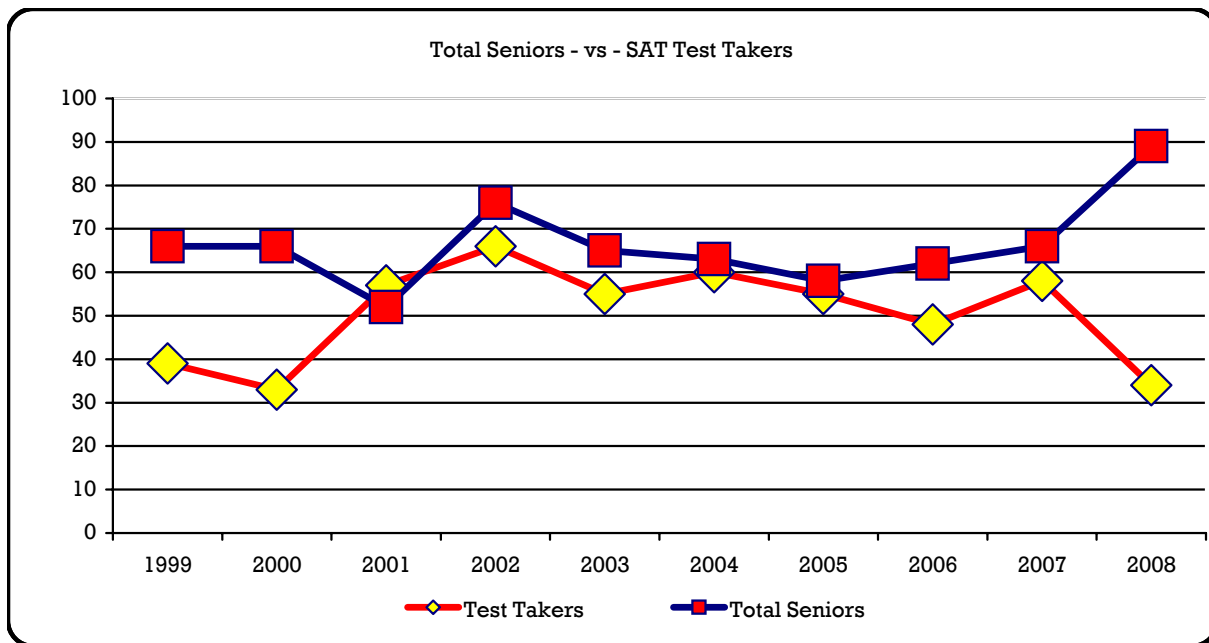
*SAT Composite Scores  
Last Ten Fiscal Years*

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School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cuyahoga Heights Verbal	Ohio Verbal	National Verbal
2008	34	89	38.20	487	534	502
2007	58	66	87.88	493	536	502
2006	48	62	77.42	506	535	503
2005	55	58	94.83	561	539	508
2004	60	63	95.24	511	538	508
2003	55	65	84.62	508	536	507
2002	66	76	86.84	517	533	504
2001	57	52	109.62	494	534	506
2000	33	66	50.00	523	533	505
1999	39	66	59.09	519	534	505



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

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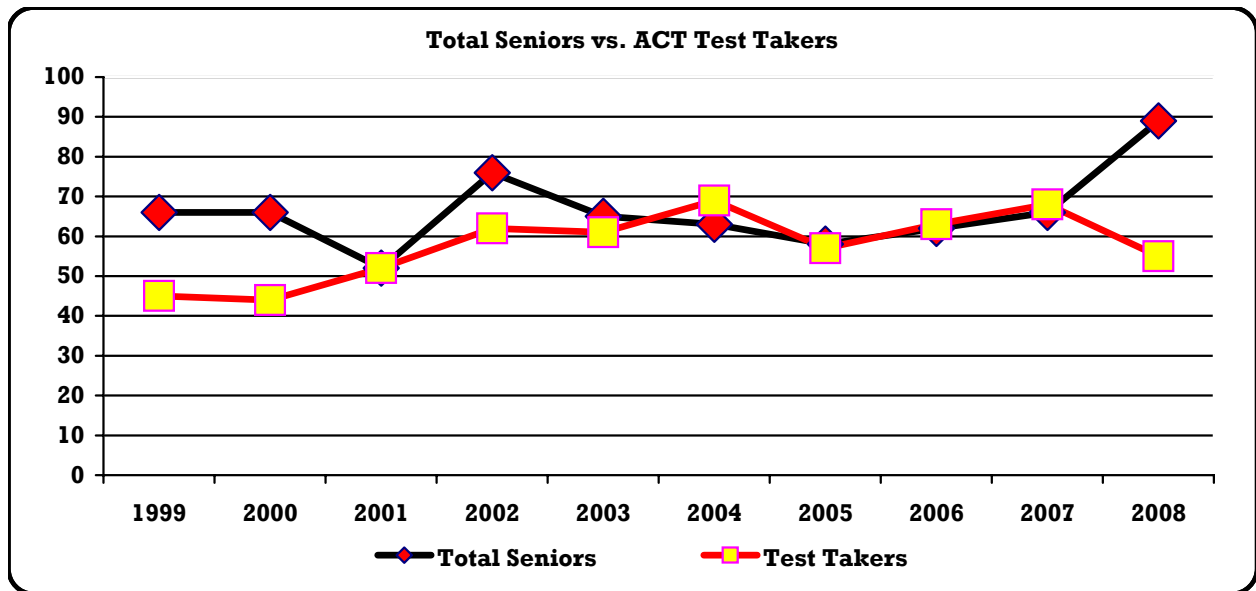
<b>Cuyahoga Heights Math</b>	<b>Ohio Math</b>	<b>National Math</b>
502	544	515
516	542	515
538	544	518
571	543	520
529	542	518
516	541	519
522	540	516
511	539	514
513	539	514
538	538	511

## Cuyahoga Heights Local School District

Cuyahoga County, Ohio

*ACT Composite Scores  
Last Ten Fiscal Years*

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Cuyahoga Heights Composite	Ohio Composite	National Composite
2008	55	89	61.80	21.5	21.7	21.1
2007	68	66	103.03	22.2	21.6	21.2
2006	63	62	101.61	21.8	21.5	21.1
2005	57	58	98.28	24.5	21.4	20.9
2004	69	63	109.52	22.7	21.4	20.9
2003	61	65	93.85	21.5	21.4	20.8
2002	62	76	81.58	21.8	21.4	20.8
2001	52	52	100.00	23.1	21.4	21.0
2000	44	66	66.67	22.8	21.4	21.0
1999	45	66	68.18	24.2	21.4	21.0



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

# **Cuyahoga Heights Local School District**

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*Audit Report Letters*

***June 30, 2008***

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT**

**AUDIT REPORT LETTERS**

**JUNE 30, 2008**

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*

December 29, 2008

To the Board of Education  
Cuyahoga Heights Local School District  
4820 East 71<sup>st</sup> Street  
Cuyahoga Heights, OH 44125

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Cuyahoga Heights Local School District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cuyahoga Heights Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings, as item 2008-01, to be a significant deficiency in internal control over financial reporting.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We believe that the significant deficiency described above is not a material weakness.

#### Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we also noted immaterial instances that we have reported to management of Cuyahoga Heights Local School District in a separate letter dated December 29, 2008.

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

*Hea & Associates, Inc.*



**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS  
CUYAHOGA COUNTY  
JUNE 30, 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2008-001**

**Significant Deficiency**

**Prior Period Adjustment**

During the year, management discovered an error in which they were receipting medical reimbursements from the employees into the self insurance (024) fund, which was purely set up to handle only the schools dental and vision plan activities. Therefore, expenses and receipts for the same purposes were not posted to the same fund.

We recommend that management thoroughly review all receipts posted to the self insurance fund, to ensure that they are only for the purpose in which the fund was established.

Management concurs, and has already implemented steps to ensure that medical benefit receipts are posted to the general fund, and dental & vision receipts are posted to the self insurance fund.





Mary Taylor, CPA  
Auditor of State

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

CUYAHOGA COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
APRIL 16, 2009