

**PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY**

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008



Mary Taylor, CPA
Auditor of State

Board of Education
Perry Local School District
4325 Manchester Avenue
Perry Ohio 44081

We have reviewed the *Independent Auditor's Report* of the Perry Local School District, Lake County, prepared by James G. Zupka, CPA, 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 Perry Local School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 6, 2009

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**PERRY LOCAL SCHOOL DISTRICT
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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Certified Public Accountants

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Ohio Society of Certified Public Accountants

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

Board of Education
Perry Local School District
Perry, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Lake County, Ohio, as of and for the year ended June 30, 2008, which collectively comprise the Perry Local School District, Ohio's basic financial statements and have issued our report thereon dated November 28, 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 the Perry Local School District, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Perry Local School District, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Perry Local School District, Ohio'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 Perry Local School District, Ohio'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 Perry Local School District, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the Perry Local School District, Ohio's internal control.

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

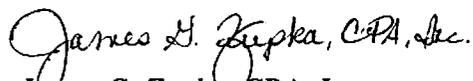
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the Perry Local School District, Ohio, in a separate letter dated November 28, 2008.

This report is intended solely for the information and use of the audit committee, management, the Board of Education, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


James G. Zupka, CPA, Inc.
Certified Public Accountants

November 28, 2008

JAMES G. ZUPKA, C.P.A., INC.

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Perry Local School District
Perry, Ohio

Compliance

We have audited the compliance of the Perry Local School District, Lake County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Perry Local School District, Ohio's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Perry Local School District, Ohio's management. Our responsibility is to express an opinion on the Perry Local School District, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Perry Local School District, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Perry Local School District, Ohio's compliance with those requirements.

In our opinion, the Perry Local School District, Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Perry Local School District, Ohio, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Perry Local School District, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Perry Local School District, Ohio's internal control over compliance.

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

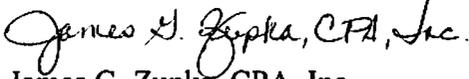
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Ohio, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 28, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Perry Local School District, Ohio's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board of Education, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


James G. Zupka, CPA, Inc.
Certified Public Accountants

November 28, 2008

**PERRY LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor Number	Cash Receipts	Non Cash Receipts	Cash Disburse- ments	Non Cash Disburse- ments
<u>U.S. Department of Agriculture</u>						
<i>Passed through State Department of Education</i>						
Child Nutrition Cluster						
School Lunch Program	10.555	047902-LLP4-2008	\$ 133,418	\$ 0	\$ 133,418	\$ 0
Total Child Nutrition Cluster			<u>133,418</u>	<u>0</u>	<u>133,418</u>	<u>0</u>
Food Distribution Program	10.550	N/A	0	49,082	0	49,082
Total Food Distribution Program			<u>0</u>	<u>49,082</u>	<u>0</u>	<u>49,082</u>
Total U.S. Department of Agriculture			<u>133,418</u>	<u>49,082</u>	<u>133,418</u>	<u>49,082</u>
<u>U.S. Department of Education</u>						
<i>Passed through State Department of Education</i>						
Title I School Subsidy - FY 2008	84.010	047902-C1S1-2008	54,583	0	51,855	0
			<u>54,583</u>	<u>0</u>	<u>51,855</u>	<u>0</u>
Special Education Cluster						
SE-IDEA Part B FY 2008	84.027	047902-6BSF-2008	300,270	0	300,657	0
SE-IDEA Preschool FY 2008	84.173	047902-PGS1-2008	13,180	0	13,180	0
Total Special Education Cluster			<u>313,450</u>	<u>0</u>	<u>313,837</u>	<u>0</u>
Title IV-A Safe/Drug Free FY 2008	84.186	047902-DRS1-2008	4,125	0	4,125	0
			<u>4,125</u>	<u>0</u>	<u>4,125</u>	<u>0</u>
Title V FY 2008	84.298	047902-C2S1-2008	2,494	0	2,482	0
			<u>2,494</u>	<u>0</u>	<u>2,482</u>	<u>0</u>
Title II-D Technology FY 2008	84.318	047902-TJS1-2008	248	0	248	0
			<u>248</u>	<u>0</u>	<u>248</u>	<u>0</u>
Title II-A FY 2008	84.367	047902-TRS1-2008	28,680	0	28,680	0
			<u>28,680</u>	<u>0</u>	<u>28,680</u>	<u>0</u>
Total U.S. Department of Education			<u>403,580</u>	<u>0</u>	<u>401,227</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 536,998</u>	<u>\$ 49,082</u>	<u>\$ 534,645</u>	<u>\$ 49,082</u>

See accompanying notes to Supplemental Schedule of Expenditures of Federal Awards - Cash

**PERRY LOCAL SCHOOL DISTRICT
NOTES TO THE SUPPLEMENTAL SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS - CASH
JUNE 30, 2008**

NOTE 1: BASIS OF PRESENTATION

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

**PERRY LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
JUNE 30, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

2008(i)	Type of Financial Statement Opinion	Unqualified
2008(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2008(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2008(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2008(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2008(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2008(v)	Type of Major Program's Compliance Opinion	Unqualified
2008(vi)	Are there any reportable findings under .510?	No
2007(vii)	Major Programs (list): Special Education-IDEA, Part B and IDEA Preschool - CFDA #84.027 and 84.173	
2008(viii)	Dollar Threshold: Type A\B Program	Type A: \$300,000 or more Type B: All others less than \$300,000
2008(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**PERRY LOCAL SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Number</u>	<u>Finding Summary</u>	<u>Corrected</u>
2007-001	Negative Fund Balances	Yes
2007-002	Expenditures Exceeding Appropriations	Yes

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

Perry Local School District

Lake County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008



Perry Local School District

Lake County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

**Issued by:
Treasurer's Office
Lewis Galante, Chief Financial Officer**

INTRODUCTORY SECTION



Morgan - Grade 12



Miranda - Grade 10



Chanel - Grade 11

Perry Local School District, Lake County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

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Mission Statement

Inspire all students to achieve personal excellence, pursue world-class standards and be self-directed, lifelong learners.

November 28, 2008

Members of the Board of Education and
Residents of the Perry Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Perry Local School District (the "School District") for the fiscal year ended June 30, 2008. This CAFR includes an unqualified ("clean") opinion from James G. Zupka, CPA, Inc. and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is with the Perry Local School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner that is designed to present fairly the financial position of the School District for all operations. This report is intended to provide the taxpayers of Perry with the comprehensive financial data in a format that will enable them to gain a transparent understanding of the School District's financial operations. Copies of the CAFR will be made available to the Perry Public Library, major taxpayers, other interested parties, and on the School District's web site.

The School District

The Perry Local School District is located in a residential/agricultural suburban community in eastern Lake County approximately thirty-five miles east of Cleveland. The School District is comprised of three separate communities, including Perry Village, Perry Township, and North Perry Village.

Within the three communities, the School District educates approximately 1,860 students in grades K-12 or 95 percent of all school-age children within its jurisdiction. The School District is comprised of one high school, one middle school, and one elementary school. The three buildings are contained under one roof and comprise an interconnected educational campus via a one mile corridor. Beyond the main campus, the School District owns four other school buildings and a maintenance facility. The appraised value of all School District properties (including land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks) is \$55,540,306 (net of depreciation) as of June 30, 2008.

The legislative power of the district rests with the Perry Local School District's Board of Education which is comprised of five members elected on staggered four-year terms. The School District operates in accordance with the rules, regulations, policies, and/or laws provided by the Ohio State Board of Education, the Ohio Department of Education, and Ohio Revised Code.

The Reporting Entity

The Perry Local School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. In evaluating how to define the School District for financial reporting purposes, management has considered its relationship with all departments, boards, and agencies that make up the School District. For the Perry Local School District, this includes general operations, food service, and student-related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District has no component units.

The School District does participate in three jointly governed organizations and is associated with an insurance purchasing pool and a claims servicing pool. These organizations are the Ohio Schools Council Association, the Lake Geauga Computer Association (LGCA), the Auburn Career Center, the Lake County Council of Governments Health Care Benefits (HCBP) Self Insurance Program, and the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP). These organizations are presented in Notes 18, 19, and 20 to the basic financial statements.

Organizational Structure

The School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally elected Board of Education consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as mandated by State and federal agencies.

The School District is located in Perry Village, Lake County, Ohio, and serves students legally residing in Perry Village, Perry Township, and North Perry Village. The area extends roughly 24 square miles. The School District is staffed by 88 non-teaching personnel, 128 certified/licensed teachers, 15 exempt employees, and 10 administrative employees to provide services to 1,860 students, their parents/guardians, and our communities at large. The School District operates one elementary school (K-4), one middle school (5-8), and one high school (9-12).

Economic Condition and Outlook

Ohio House Bill 920, passed in 1976, provides that the assessed value of residential and commercial property will not be changed more than once every three years, and that the property tax bill of the average homeowner for voted millage will not be increased as a result of reappraisal or readjustment. Due to this, school districts have needed to pursue a cycle of levies to continue revenue growth to cover even inflationary changes to expenses. The result of this legislation limits growth in local revenue.

Since the inception of the Perry Nuclear Power Plant, the School District has not needed to solicit a tax levy from its communities. However, as the power plant converts real property to personal property, and as personal property depreciates, the total valuation of the School District has eroded, and residential landowners have taken on a greater share of the tax burden. Additionally, with the enactment of deregulation legislation in 2001, the School District will lose approximately 40 percent of its revenue in 2017. The School District will lose approximately \$10 million dollars of revenue annually as a result of deregulation. The School District has been and will continue to be in cost containment and reduction mode as the current economic conditions have reduced property growth to negligible amounts. The School District's administration and Board of Education

members remain committed to demonstrating financial responsibility to local taxpayers by enacting long-range plans to account for the loss of School District revenue in 2017.

The Ohio legislature passed legislation to reduce tangible property taxes on business equipment and inventory. Effective July 1, 2005, with passage of House Bill 66, tangible property taxes were approved for a two-year phase out. The State of Ohio is providing a reimbursement to school districts to account for such tangible property losses until 2010.

The School District's enrollment has remained relatively stable throughout the last decade and is projected to remain stable in census data available for the future. As a result, additional revenue from the State of Ohio will be minimal given the current formula utilized to calculate State aid.

School District Local Funding

School District management will carefully control expenses during the coming years to continue to assure that revenues are adequate and spent in a fiscally responsible manner. Since 2005, the financial cycles illustrate that the School District has reduced approximately \$3 million in annual spending as determined from the FY2005 Five-Year Forecast. The School District will continue to reduce spending to achieve the Board's goal of reducing the per pupil expenditure to approximately \$12,500 while also ensuring that School District expenditures do not exceed revenue generated. To achieve these goals, approximately \$1.5 million dollars in reductions will be identified and implemented during the 2009-10 and 2010-11 school years.

Major Initiatives

The School District is currently undergoing an analysis to determine if the Center Road facility should be auctioned, sold, partially renovated, or demolished as a cost savings measure for the School District. This facility currently contains the School District's transportation center which will have to be refurbished, moved, or rebuilt. As shared via Channel 22 and other School District communications, this process will be ongoing throughout 2009.

Ohio Report Card

The Ohio Report Card is issued in early fall of each school year. The report uses data from the previous school year to inform the public of the School District's success or failure on 30 grade-level indicators, student attendance rates, and School District's graduation rate. The 2008 report card demonstrated that the School District achieved an "Excellent" rating by meeting every indicator. This marks the fifth consecutive year the School District has achieved an "Excellent" rating. School District personnel, parents/guardians, and our communities at large are very proud of the academic achievements of our students.

Federal Projects

The School District files applications for federal funds electronically utilizing the Consolidated Local Plan. This allows the Assistant Superintendent to coordinate the application of the goals of the Comprehensive Continuous Improvement Plan. The School District continues to apply for all federal funds that the School District is eligible to receive. This includes Title I, Title II-A, Title II-D, Title IV, and Title VI-D. The School District adheres to the specific requirements associated to spending the federal dollars received.

Educational Programs and Facilities Improvement

The School District maintains a Permanent Improvement Fund for the purpose of maintaining the School District's facilities and making necessary improvements when and where applicable. As of June 30, 2008, the cash balance of the Permanent Improvement Fund was \$13,133,843. As the School District moves forward, these funds will pay for capital expenses throughout the School District and its facilities.

Financial Information

Internal Accounting and Budgetary Control

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

The School District utilizes an automated accounting and payroll system as designed by the State software development team. An internal controls system for capital assets is provided by an outside company. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

Prior to the start of each fiscal year, the Board of Education adopts an appropriation measure for that fiscal year. The Board has the ability to adopt temporary appropriations prior to September 30 if permanent appropriations are not yet available. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. Budgets are controlled at the fund level. All purchase order requests must be approved by the administrator responsible for that specific budget and the Superintendent before being certified by the Chief Financial Officer. Once completed, necessary funds are encumbered and purchase orders are released to vendors for processing. Requests that exceed the available appropriation are rejected until additional appropriations are secured via authorized budget transfer.

The Perry Board of Education approves all financial reports on a monthly basis.

Financial Condition

The School District prepares financial statements following GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. GASB Statement No. 34 creates basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements- these statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements- these statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons- these statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of the new reporting model, management, in conjunction with James G. Zupka, CPA, Inc., is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion follows the Independent Accountants' Report, providing an assessment of the School District's finances for 2008 and a comparison to performance in 2007 and analysis of resources available for the future. Because the discussion focuses on major funds, only the internal service fund is discussed briefly in this letter.

Financial Highlights –

Cash Management

The School District contracts with Robert W. Baird & Co. for assistance in the management of cash and investments. Once receipts are received into the School District, funds are transferred to interim accounts with Baird and invested based upon the cash flow needs of the School District. Such investments are placed in accounts that are collateralized by instruments issued by the United States Government or the State of Ohio or insured by the Federal Deposit Insurance Corporation. Other investments are actual assets held by the School District through Baird in accounts with US Bank. Short-term investments held at JP Morgan Chase are invested in overnight repurchase agreements. The School District also uses StarOhio for interim balances.

Interest revenue in the governmental funds totaled \$1,249,528 for fiscal year 2008, from which \$798,479 was credited to the general fund and \$451,049 to the Permanent Improvement Fund. Information regarding School District investments is found in Note 7 of the basic financial statements.

Risk Management

The School District is insured for medical, hospital, prescription drug, and vision benefits for the School District employees through the Lake County Schools' Health Care Consortium. A third party, Medical Mutual of Ohio, reviews all claims, applies the appropriate discount and pays the claims. Dental benefits are insured through OASIS Trust.

All employees of the School District are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The School District contracts with the Ohio School Plan/Hylant Administrative Services for property, liability, and fleet insurance.

The School District contracts with Sheakley UniComp in a pool with other districts to meet the requirements of the Ohio Bureau of Workers' Compensation plan.

Independent Audit

State statute requires the School District to be audited at least every two fiscal years by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent Auditor, James G. Zupka, CPA, Inc., was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2008. The opinion appears at the beginning of the financial section of this report.

Acknowledgments

The publication of this Comprehensive Annual Financial Report is a significant step toward providing a transparent financial disclosure to the citizens of Perry and raising the professional standards for Perry Local School District's financial reporting.

It is the intent of this CAFR to enhance accountability of the School District's finances for the residents and provide district stakeholders with a perspective of the School District's financial and demographic information.

Special appreciation is expressed to James G. Zupka, CPA, Inc. for assistance in the planning, designing, and the review of this financial report, and Judy Church, Secretary to the Chief Financial Officer, for her diligent work in the research and compiling of the historical and demographic data.

Finally, a sincere appreciation is extended to the five members of the Perry Local School District's Board of Education for their ongoing support, feedback, and direction in governing the Perry Local School District.

Respectfully submitted,



Lewis Galante, Chief Financial Officer



Michael Sawyers, Superintendent

PRINCIPAL OFFICIALS

JUNE 30, 2008

BOARD OF EDUCATION

Mr. Matt Farrell..... President
Mrs. Suanne Sines..... Vice President
Ms. Jane Brewster..... Member
Mrs. Carole Martin..... Member
Mrs. Susan Rideout..... Member

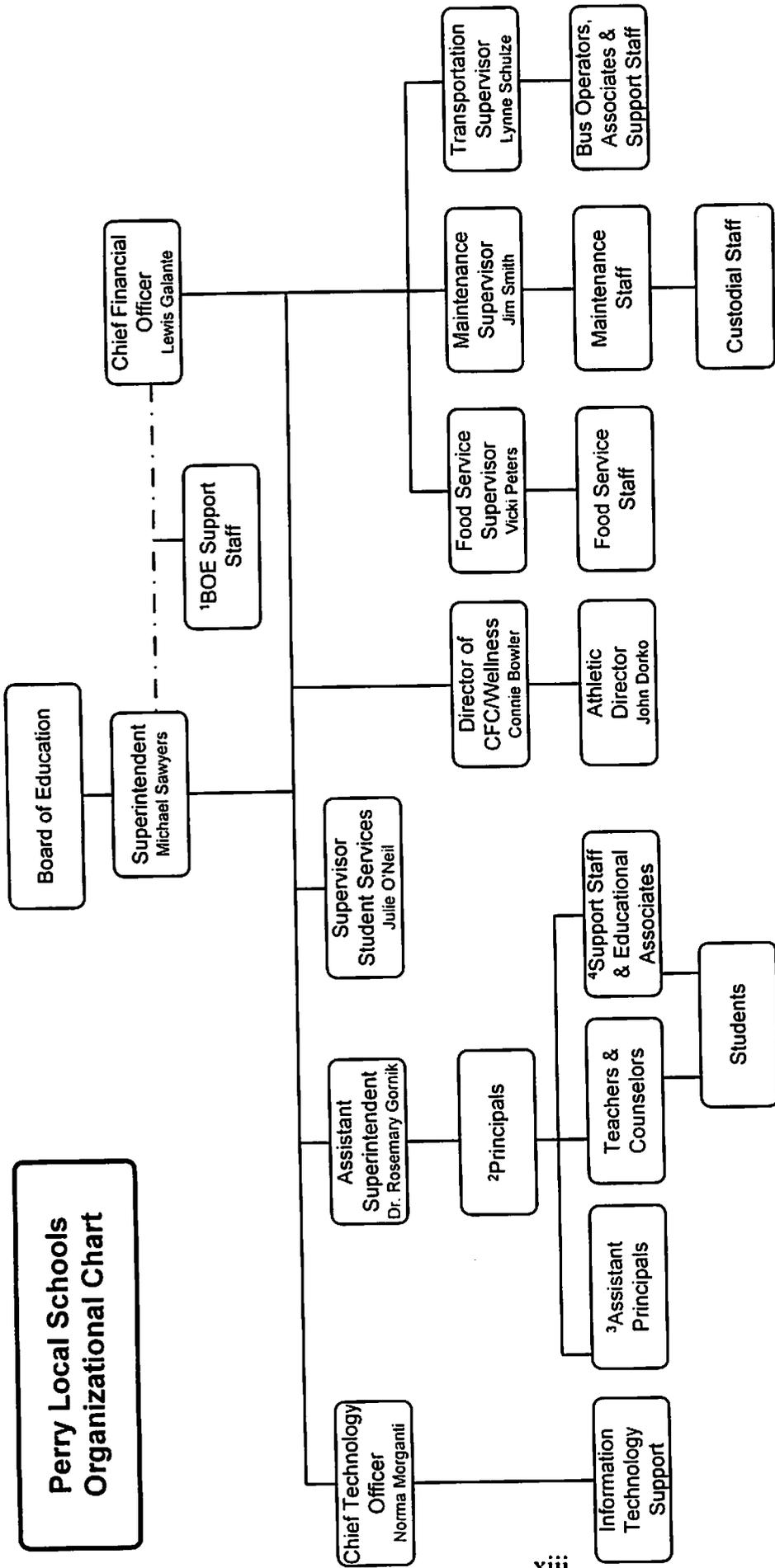
CHIEF FINANCIAL OFFICER

Mr. Lewis Galante

ADMINISTRATION

Mr. Michael Sawyers..... Superintendent
Dr. Rosemary Gornik..... Assistant Superintendent
Mrs. Julie O'Neil..... Supervisor of Student Services
Mrs. Connie Bowler..... Director of Community Fitness Center & Wellness

Perry Local Schools Organizational Chart



¹BOE Support Staff
 Administrative Assistant: Pam DiPlacido
 Central Office Secretaries:
 Judy Church (Secretary to CFO, Purchasing)
 Donna Jacoby (Payroll/Benefits)
 Maureen Kovach (Secretary to CTO, EMIS)
 Deb Kuhn (Secretary to Assistant Superintendent)
 Vicki Wojciechowski (Accounts Payable/Receivable)
 Robin Naughton (Secretary to Supervisor of Student Services)
 Gina Deas (Receptionist)

²Principals
 Perry High School: Joseph Mueller
 Perry Middle School: Scott Hunt
 Perry Elementary School: Shelley Pulling

³Assistant Principals
 Chad Eisler
 Tara Keller
 Maggie Niedzwiecki

⁴Secretaries
 Suzanne Tetonis/Linda Flenner
 Pat Shimko/Lynn Gossett
 Eileen Page/Sharon Chapman

FINANCIAL SECTION



Alex - Grade 3



Lacie - Kindergarten



Katie - Grade 1

Perry Local School District, Lake County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Perry Local School District

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Lake County, Ohio, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Perry Local School District, Ohio'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 Perry Local School District, Ohio, as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2008, on our consideration of the Perry Local School District, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important assessing the results of our audit.

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

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


James G. Zupka, CPA, Inc.
Certified Public Accountants

November 28, 2008

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2008

The management's discussion and analysis of the Perry Local School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. The intent of the management's discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- In total, net assets decreased \$2,979,116 or by 3.6 percent.
- General revenues accounted for \$28,777,498 or 94.3 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,726,289 or 5.7 percent of total revenues of \$30,503,787.
- Total assets of governmental activities decreased by \$694,676 as equity in pooled cash and cash equivalents increased by \$2,356,040, and capital assets decreased by \$2,947,565.
- The School District had \$33,482,903 in expenses related to governmental activities; only \$1,726,289 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$28,777,498 were inadequate to provide for these programs.
- Among major funds, the general fund had \$30,527,805 in revenues (including other financing sources) and \$29,437,319 in expenditures (including other financing uses). The general fund's fund balance increased to \$13,422,884 from \$12,332,398. The permanent improvement fund increased its fund balance to \$12,759,566 from \$11,997,389.

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 Perry Local School 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 School District, presenting both an aggregate view of the School 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 School District's most significant funds, with all other nonmajor funds presented in total in one column. In the case of the Perry Local School District, the general fund is by far the most significant fund with the most activity. The permanent improvement fund is significant due to various construction projects performed during the fiscal year.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

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

These two statements report the School District’s net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School 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 School District’s property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors. On the other hand, financial factors may include the School District’s financial position, liquidity and solvency, fiscal capacity and risk and exposure.

In the Statement of Net Assets and Statement of Activities, the School District is classified as governmental activities:

- Governmental Activities - Most of the School District’s programs and services are reported here including instruction, support services, operation of non-instructional services and extracurricular activities.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 14. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the general fund and the permanent improvement fund.

Governmental Funds Most of the School 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 statements provide a detailed short-term view of the School 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 Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds The School District maintains one proprietary fund. Internal Service funds are an accounting device used to accumulate and allocate costs internally to the School District’s various functions. The School District uses an Internal Service fund to account for its medical self-insurance program. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District’s net assets for 2008 compared to 2007:

Table 1 - Net Assets

	Governmental Activities	
	2008	2007
Assets		
Current and Other Assets	\$ 55,795,592	\$ 53,542,703
Capital Assets	55,540,306	58,487,871
Total Assets	\$ 111,335,898	\$ 112,030,574
Liabilities		
Long-term Liabilities	\$ 4,657,975	\$ 4,559,261
Other Liabilities	26,995,501	24,809,775
Total Liabilities	31,653,476	29,369,036
Net Assets		
Invested in Capital Assets Net of Debt	53,751,215	56,511,384
Restricted	13,788,118	13,374,392
Unrestricted (Deficit)	12,143,089	12,775,762
Total Net Assets	\$ 79,682,422	\$ 82,661,538

Total assets decreased \$694,676. Equity in pooled cash and cash equivalents increased \$2,356,040 due to a onetime payment received from a delinquent taxes settlement. Capital assets decreased \$2,947,565 due to annual depreciation of the School District’s facilities.

Total liabilities increased \$2,284,440. Deferred revenues increased \$2,478,124 due to a significant decrease in delinquent property taxes.

Table 2 shows the changes in net assets for fiscal year 2008 and 2007.

Table 2 - Change in Net Assets

	Governmental Activities	
	2008	2007
Revenues		
Program Revenues:		
Charges for Services	\$ 1,123,752	\$ 934,163
Operating Grants and Contributions	602,537	533,640
Total Program Revenues	1,726,289	1,467,803
General Revenues:		
Property Taxes	14,965,281	15,046,416
Grants and Entitlements	12,052,117	11,937,105
Investment Earnings	1,249,528	1,402,315
Other	510,572	365,960
Total General Revenues	28,777,498	28,751,796
Total Revenues	\$ 30,503,787	\$ 30,219,599
 Program Expenses		
Instruction	\$ 17,759,624	\$ 17,680,085
Support Services:		
Pupil and Instructional Staff	3,531,879	3,786,522
Board of Education, Administration, Fiscal and Business	3,284,109	3,001,963
Operation and Maintenance of Plant	4,527,545	5,713,758
Pupil Transportation	1,361,969	1,557,654
Central	50,928	48,985
Operation of Non-Instructional Services	1,419,504	458,551
Extracurricular Activities	1,457,243	1,922,761
Interest and Fiscal Charges	90,102	81,952
Total Program Expenses	\$ 33,482,903	\$ 34,252,231
 Decrease in Net Assets	\$ (2,979,116)	\$ (4,032,632)

Total revenues slightly increased \$284,188 or .9 percent as compared to fiscal year 2007.

Total expenses decreased \$769,328 due to conscious district reductions that offset future revenue decreases.

Governmental Activities

The School District has carefully planned its financial future by forecasting its revenue and expenses over the next five years. In May 2008, the School District submitted its revised five-year forecast to the Ohio Department of Education. Based upon the current five-year financial forecast, the School District has adequate operating funds for each of the next five years. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs which made up 39.5 percent of revenues.

Perry Local School District, Lake County

The School District's dependence upon property taxes is hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 49.1 percent of revenues for governmental activities for the School District in fiscal year 2008.

Instruction comprises 53.0 percent of governmental program expenses. Support Services for pupils, staff and business operations encompasses an additional 38.1 percent. The remaining program expenses of 8.9 percent are expensed to facilitate other obligations of the School District, such as non-instructional services and extracurricular activities.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services for 2008 and 2007. Table 3 shows the total cost for services for governmental activities and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3 - Governmental Activities

	Total Cost of Services 2008	Total Cost of Services 2007	Net Costs of Services 2008	Net Costs of Services 2007
Governmental Activities:				
Instruction	\$ 17,759,624	\$ 17,680,085	\$(17,397,251)	\$ (17,596,262)
Support Services:				
Pupils and Instructional Staff	3,531,879	3,786,522	(3,447,189)	(3,493,020)
Board of Education, Administration, Fiscal and Business	3,284,109	3,001,963	(3,274,109)	(3,001,963)
Operation and Maintenance of Plant	4,527,545	5,713,758	(4,527,545)	(4,420,133)
Pupil Transportation	1,361,969	1,557,654	(1,352,529)	(1,557,654)
Central	50,928	48,985	(50,928)	(48,985)
Operation of Non-Instructional Services	1,419,504	458,551	(468,416)	(1,053,532)
Extracurricular Activities	1,457,243	1,922,761	(1,148,545)	(1,530,927)
Interest and Fiscal Charges	90,102	81,952	(90,102)	(81,952)
Total Expenses	\$ 33,482,903	\$ 34,252,231	\$(31,756,614)	\$ (32,784,428)

The dependence upon tax revenues for governmental activities is apparent. 94.8 percent of expenses are supported through taxes and other general revenues. For all governmental activities, general revenue support is over 94.3 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District's students.

The School District's Funds

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$35,510,096 (including other financing sources) and expenditures of \$33,193,253 (including other financing uses). The net change in fund balance for the year in the general fund experienced an increase of \$1,090,486 due to a significant decrease in operating transfers out to other funds and an inception of a capital lease. In the permanent improvement fund, the net change in fund balance for the year increased \$762,177 due to a decrease in capital outlay expenditures and additional operating transfers in from the general fund.

General Fund Budgeting Highlights

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

During the course of fiscal year 2008, the School District amended its general fund budget numerous times, none significant. Fluctuations among the budget base expenditure categories are due to the School District site-based style of budgeting that is designed to tightly control expenditures but provide flexibility for managers to redirect funds as conditions develop during the year.

For the general fund, final budget basis revenue was \$28,500,000 (including other financing sources), which was the same as the original budget estimate. Overall revenue received by the general fund was more than the final budgetary projections by \$2,092,921 or 7.3 percent. Of this difference, a majority of the amount was due to the School District's conservative estimates of real estate tax revenues and the collection of delinquent taxes.

The final appropriations of \$29,914,834 (including other financing uses and prior year's encumbrances) were the same as the original appropriations. Actual expenditures plus outstanding encumbrances for the year were \$209,507 or .7 percent under general fund revised budgetary projections.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2008, the School District had \$55,540,306 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and library and textbooks in governmental activities. Table 4 shows fiscal 2008 balances compared to 2007:

Table 4 - Capital Assets at June 30 (net of depreciation)

	Governmental Activities	
	2008	2007
Land	\$ 1,200,000	\$ 1,200,000
Construction in Progress	-	8,691
Land Improvements	3,160,468	3,336,814
Buildings and Improvements	49,687,113	52,181,983
Furniture and Equipment	573,516	693,017
Vehicles	909,882	1,039,384
Library and Textbooks	9,327	27,982
Total Capital Assets	\$ 55,540,306	\$ 58,487,871

The primary decrease occurred in buildings and improvements. The decrease was due to the annual depreciation expense related to the buildings and improvements.

During fiscal year 2008, the School District purchased \$937,286 of capital assets not including construction in progress which was transferred to depreciable capital assets. The significant additions to capital assets were made to land improvements and building and improvements.

See Note 11 for additional information on capital assets.

Debt

At June 30, 2008, the School District had \$1,977,491 in notes and capital lease outstanding. Table 5 summarizes the School District’s debt outstanding.

Table 5 - Outstanding Debt at Year End

	Governmental Activities	
	2008	2007
2006 Energy Conservation Note	\$ 1,789,091	\$ 1,976,487
Capital Lease	188,400	-
Total Debt Outstanding	\$ 1,977,491	\$ 1,976,487

The 2006 energy conservation notes were issued for a ten year maturity life with an interest rate of 3.88 percent per annum. The proceeds were for renovating and otherwise improving energy conservation at school facilities

In fiscal year 2008, the School District obtained a capital lease in the amount of \$188,400, bearing an interest rate of 3.80 percent per annum. This lease will mature in fiscal year 2011. The lease was used to finance the purchase of 200 computers for students.

See Notes 16 and 17 for additional information on long-term debt activity.

School District’s Outlook

The School District has a strong financial position. The Board of Education and the administration closely monitor the School District’s revenues and expenditures in accordance with its financial forecast and the School District’s Continuous Improvement Plan.

The School District’s financial future is not without challenges, though. The nature of school funding in Ohio severely restricts the growth in the School District’s operating revenues and requires the School District to periodically seek additional funds from the taxpayers to offset rising operating costs.

In addition, the problem of limited growth in revenue, school districts are faced with the challenge of losing traditional sources of tax revenue through the Ohio General Assembly legislative actions. In 2003, the Ohio General Assembly passed Amended Substitute House Bill 95 that will phase-out the taxation on business inventories. Once fully implemented, the School District’s operating revenue will be reduced by approximately \$282,000 annually.

In June 1999, the Ohio General Assembly passed Senate Bill 3 to deregulate the electric utility industry in Ohio. Under this legislation, the assessment rate on electric utility property was dramatically reduced but this School District will remain revenue neutral due to the Property Tax Replacement Fund. This fund derives its revenue from a special user’s tax on electricity. The School District receives approximately \$10.16 million annually from this fund, however, it will end in 2017.

Financial aid from the State of Ohio through the State Foundation Program has not been the major source of operating revenue for the School District. Because the School District is considered a wealthy School District in terms of property values, it receives a relatively small amount of revenue from the State to fund operating expenditures.

As a result of the challenges mentioned above, the School District's administration continues to carefully plan its expenditures to provide adequate resources to meet student needs over the next several years. The administration and the School District's Task Force are currently reviewing all programs and services provided to students with the goal of reducing operating costs.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Lewis Galante, Chief Financial Officer at Perry Local School District, 4325 Manchester Avenue, Perry, Ohio 44081.

Basic Financial Statements

Perry Local School District, Lake County

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

	Governmental Activities
<u>ASSETS</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 29,326,262
Cash and Cash Equivalents:	
With Fiscal Agents	625,451
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	48,920
Accrued Interest Receivable	169,357
Accounts Receivable	115,790
Intergovernmental Receivable	143,316
Materials and Supplies Inventory	202,600
Taxes Receivable	25,163,896
Nondepreciable Capital Assets	1,200,000
Depreciable Capital Assets, Net	54,340,306
Total Assets	\$ 111,335,898
 <u>LIABILITIES</u>	
Accounts Payable	\$ 56,840
Contracts Payable	423,039
Accrued Wages	1,721,887
Matured Compensated Absences Payable	155,890
Intergovernmental Payable	385,428
Deferred Revenue	23,931,847
Accrued Interest Payable	15,215
Claims Payable	305,355
Long-Term Liabilities:	
Due Within One Year	868,004
Due In More Than One Year	3,789,971
Total Liabilities	31,653,476
 <u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	53,751,215
Restricted for:	
Capital Projects	12,825,042
Other Purposes	963,076
Unrestricted	12,143,089
Total Net Assets	\$ 79,682,422

See accompanying notes to the basic financial statements

Perry Local School District, Lake County

Statement of Activities For the Year Ended June 30, 2008

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants, Contributions	
Governmental Activities:				
Instruction:				
Regular	\$ 15,294,055	\$ -	\$ 62,103	\$ (15,231,952)
Special	1,428,200	-	300,270	(1,127,930)
Vocational	121,250	-	-	(121,250)
Other	916,119	-	-	(916,119)
Support Services:				
Pupils	1,025,569	-	5,095	(1,020,474)
Instructional Staff	2,506,310	-	79,595	(2,426,715)
Board of Education	125,627	-	-	(125,627)
Administration	1,905,194	-	10,000	(1,895,194)
Fiscal Services	974,311	-	-	(974,311)
Business	278,977	-	-	(278,977)
Operation and Maintenance of Plant Services	4,527,545	-	-	(4,527,545)
Pupil Transportation	1,361,969	-	9,440	(1,352,529)
Central	50,928	-	-	(50,928)
Operation of Non-instructional Services:				
Food Service Operations	995,261	706,296	136,034	(152,931)
Other	424,243	108,758	-	(315,485)
Extracurricular Activities	1,457,243	308,698	-	(1,148,545)
Interest and Fiscal Charges	90,102	-	-	(90,102)
Total Governmental Activities	\$ 33,482,903	\$ 1,123,752	\$ 602,537	(31,756,614)
General Revenues				
Property Taxes Levied for:				
General Purposes				14,965,281
Grants and Entitlements not Restricted to Specific Programs				12,052,117
Investment Earnings				1,249,528
Miscellaneous				510,572
Total General Revenues				28,777,498
Change in Net Assets				(2,979,116)
Net Assets - Beginning of Year				82,661,538
Net Assets - End of Year				\$ 79,682,422

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

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

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 14,766,932	\$ 13,133,843	\$ 1,095,487	\$ 28,996,262
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	48,920	-	-	48,920
Receivables:				
Taxes	25,163,896	-	-	25,163,896
Accounts	61,271	53,119	1,400	115,790
Intergovernmental	143,316	-	-	143,316
Accrued Interest	109,039	60,318	-	169,357
Due from other funds	12,000	-	-	12,000
Materials and Supplies Inventory	191,797	-	10,803	202,600
Total Assets	<u><u>\$ 40,497,171</u></u>	<u><u>\$ 13,247,280</u></u>	<u><u>\$ 1,107,690</u></u>	<u><u>\$ 54,852,141</u></u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	56,840	-	-	56,840
Contracts Payable	-	423,039	-	423,039
Accrued Wages and Benefits	1,649,336	-	72,551	1,721,887
Due to other funds	-	-	12,000	12,000
Matured Compensated Absences Payable	155,890	-	-	155,890
Intergovernmental Payable	372,841	-	12,587	385,428
Deferred Revenue	24,839,380	64,675	7,858	24,911,913
Total Liabilities	<u><u>27,074,287</u></u>	<u><u>487,714</u></u>	<u><u>104,996</u></u>	<u><u>27,666,997</u></u>
Fund Balances:				
Reserved for:				
School Bus Purchases	48,920	-	-	48,920
Property Taxes	324,516	-	-	324,516
Encumbrances	91,377	82,471	13,469	187,317
Unreserved, Undesignated reported in:				
General Fund	12,958,071	-	-	12,958,071
Special Revenue Funds	-	-	976,868	976,868
Capital Projects Funds	-	12,677,095	12,357	12,689,452
Total Fund Balances	<u><u>13,422,884</u></u>	<u><u>12,759,566</u></u>	<u><u>1,002,694</u></u>	<u><u>27,185,144</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 40,497,171</u></u>	<u><u>\$ 13,247,280</u></u>	<u><u>\$ 1,107,690</u></u>	<u><u>\$ 54,852,141</u></u>

See accompanying notes to the basic financial statements.

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

Total Governmental Fund Balances		\$ 27,185,144
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.		55,540,306
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	926,947	
Other	53,119	
Total	980,066	980,066
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		650,096
Long-term liabilities are not due and in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(1,789,091)	
Capital Leases	(188,400)	
Retirement Incentive	(40,000)	
Compensated Absences	(2,640,484)	
Accrued Interest Payable	(15,215)	
Total	(4,673,190)	(4,673,190)
Total Net Assets of Governmental Activities		\$ 79,682,422

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds June 30, 2008

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 17,400,098	\$ -	\$ -	\$ 17,400,098
Intergovernmental	11,995,805	-	651,619	12,647,424
Tuition	44,066	-	-	44,066
Transportation Fees	21,035	-	-	21,035
Earnings on Investments	798,479	451,049	-	1,249,528
Food Services	-	-	657,214	657,214
Extracurricular Activities	-	-	299,946	299,946
Classroom Materials and Fees	-	-	16,395	16,395
Charges for Services	-	-	101,310	101,310
Miscellaneous	77,406	281,808	89,253	448,467
Total Revenues	<u>30,336,889</u>	<u>732,857</u>	<u>1,815,737</u>	<u>32,885,483</u>
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	11,188,001	-	72,699	11,260,700
Special Instruction	1,178,349	-	299,784	1,478,133
Vocational Instruction	108,115	-	-	108,115
Other Instruction	758,307	-	2,240	760,547
Support Services:				
Pupils	952,975	-	31,712	984,687
Instructional Staff	2,451,186	-	48,715	2,499,901
Board of Education	125,543	-	-	125,543
Administration	1,830,378	-	-	1,830,378
Fiscal Services	947,270	-	-	947,270
Business	278,348	-	-	278,348
Operation of Maintenance of Plant Services	4,459,596	-	-	4,459,596
Pupil Transportation Central	1,272,936 50,928	-	-	1,272,936 50,928
Operation of Non-Instructional Services:				
Food Service Operations	-	-	989,954	989,954
Community Services	88,499	-	99,827	188,326
Other	235,352	-	565	235,917
Extracurricular Activities	899,944	-	389,758	1,289,702
Capital Outlay	12,895	1,558,397	-	1,571,292
Debt Service:				
Principal Retirement	-	187,396	-	187,396
Interest and Fiscal Charges	-	74,887	-	74,887
Total Expenditures	<u>26,838,622</u>	<u>1,820,680</u>	<u>1,935,254</u>	<u>30,594,556</u>
Excess of Revenues Over(Under) Expenditures	<u>3,498,267</u>	<u>(1,087,823)</u>	<u>(119,517)</u>	<u>2,290,927</u>
OTHER FINANCING SOURCES (USES)				
Inception of Capital Lease	188,400	-	-	188,400
Sale of Capital Assets	2,516	-	-	2,516
Transfers In	-	1,850,000	583,697	2,433,697
Transfers Out	(2,598,697)	-	-	(2,598,697)
Total Other Financing Sources (Uses)	<u>(2,407,781)</u>	<u>1,850,000</u>	<u>583,697</u>	<u>25,916</u>
Net Change In Fund Balances	1,090,486	762,177	464,180	2,316,843
Fund Balances - Beginning of Year, as Restated	12,332,398	11,997,389	538,514	24,868,301
Fund Balances - End of Year	<u>\$ 13,422,884</u>	<u>\$ 12,759,566</u>	<u>\$ 1,002,694</u>	<u>\$ 27,185,144</u>

See accompanying notes to the basic financial statements.

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

Net Change in Fund Balances - Total Governmental Funds		\$ 2,316,843
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital Additions	937,286	
Current Year Depreciation	(3,880,422)	
Total	(2,943,136)	(2,943,136)
Governmental funds only report the disposal of assets to the extent proceeds are received the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the difference.		
		(4,429)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	(2,434,817)	
Other	53,121	
Total	(2,381,696)	(2,381,696)
Repayments of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		187,396
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due.		
		(15,215)
Inception of capital lease in governmental funds increased long-term liabilities in the statement of net assets.		
		(188,400)
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.		
Retirement Incentive	(40,000)	
Compensated Absences Payable	(57,710)	
Total	(97,710)	(97,710)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated amount the governmental activities.		
		147,231
Change in Net Assets of Governmental Activities		\$ (2,979,116)

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes	\$ 14,147,657	\$ 14,147,657	\$ 17,431,942	\$ 3,284,285
Intergovernmental	12,899,580	12,899,580	11,807,390	(1,092,190)
Tuition	37,441	37,441	34,271	(3,170)
Transportation Fees	22,981	22,981	21,035	(1,946)
Earnings on Investments	1,081,017	1,081,017	989,489	(91,528)
Miscellaneous	29,884	29,884	27,354	(2,530)
Total Revenues	<u>28,218,560</u>	<u>28,218,560</u>	<u>30,311,481</u>	<u>2,092,921</u>
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	11,333,509	11,333,509	11,233,665	99,844
Special Instruction	1,284,179	1,284,179	1,272,865	11,314
Vocational Instruction	111,240	111,240	110,261	979
Other Instruction	838,942	838,942	831,551	7,391
Support Services:				
Pupils	915,869	915,869	907,801	8,068
Instructional Staff	2,559,004	2,559,004	2,536,460	22,544
Board of Education	126,507	126,507	125,392	1,115
Administration	1,885,982	1,885,982	1,869,368	16,614
Fiscal Services	894,216	894,216	886,338	7,878
Business	282,507	282,507	280,018	2,489
Operation and Maintenance of Plant Services	4,554,597	4,554,597	4,514,471	40,126
Pupil Transportation	1,301,321	1,301,321	1,289,856	11,465
Central	55,289	55,289	54,803	486
Operation of Non-Instructional Services	306,285	306,285	277,237	29,048
Extracurricular Activities	908,055	908,055	900,056	7,999
Capital Outlay	16,636	16,636	16,489	147
Total Expenditures	<u>27,374,138</u>	<u>27,374,138</u>	<u>27,106,631</u>	<u>267,507</u>
Excess of Revenues Over Expenditures	<u>844,422</u>	<u>844,422</u>	<u>3,204,850</u>	<u>2,360,428</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	2,516	2,516	2,516	-
Transfers Out	(2,540,697)	(2,540,697)	(2,598,697)	(58,000)
Refund of Prior Year's Expenditures	278,924	278,924	278,924	-
Total Other Financing Sources (Uses)	<u>(2,259,257)</u>	<u>(2,259,257)</u>	<u>(2,317,257)</u>	<u>(58,000)</u>
Net Change in Fund Balance	(1,414,835)	(1,414,835)	887,593	2,302,428
Fund Balance Beginning of Year, as Restated	13,530,594	13,530,594	13,530,594	-
Prior Year Encumbrances Appropriated	247,345	247,345	247,345	-
Fund Balance End of Year	<u>\$ 12,363,104</u>	<u>\$ 12,363,104</u>	<u>\$ 14,665,532</u>	<u>\$ 2,302,428</u>

See accompanying notes to the basic financial statements.

Statement of Fund Net Assets
Proprietary Fund
June 30, 2008

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 330,000
Cash and Cash Equivalents with Fiscal Agent	625,451
Total Current Assets	955,451
Total Assets	\$ 955,451
 LIABILITIES	
Current Liabilities:	
Claims Payable	305,355
Total Current Liabilities	305,355
Total Liabilities	305,355
 NET ASSETS	
Unrestricted	650,096
Total Net Assets	\$ 650,096

See accompanying notes to the basic financial statements.

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

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 2,308,670
Total Operating Revenues	2,308,670
 OPERATING EXPENSES	
Claims	2,326,439
Total Operating Expenses	2,326,439
Operating (Loss)	(17,769)
 NON-OPERATING REVENUES	
Transfers In	165,000
Total Non-Operating Revenues	165,000
Change in Net Assets	147,231
 Net Assets - Beginning of Year	502,865
Net Assets - End of Year	\$ 650,096

See accompanying notes to the basic financial statements.

Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2008

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 2,308,670
Cash Payments for Claims	(2,334,568)
Net Cash Provided by (Used for) Operating Activities	<u>(25,898)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers In	<u>165,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>165,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	139,102
Cash and Cash Equivalents - Beginning of Year	<u>816,349</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 955,451</u></u>
Reconciliation of Operating Income (Loss) to	
Net Cash Provided by (Used for) Operating Activities	
Operating (Loss)	\$ (17,769)
Increase (Decrease) in Liabilities:	
Claims Payable	<u>(8,129)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (25,898)</u></u>

See accompanying notes to the basic financial statements.

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	<u>Agency</u>	<u>Private Purpose Trust</u>	<u>Total</u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 62,002	\$ 6,346	\$ 68,348
Receivables:			
Accounts	3,269	-	3,269
Total Assets	<u>\$ 65,271</u>	<u>\$ 6,346</u>	<u>\$ 71,617</u>
LIABILITIES			
Due to Students	65,271	-	65,271
Total Liabilities	<u>65,271</u>	<u>-</u>	<u>65,271</u>
NET ASSETS			
Held in Trust for Scholarships		6,346	6,346
Total Net Assets		<u>\$ 6,346</u>	<u>\$ 6,346</u>

See accompanying notes to the basic financial statements.

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

	Private Purpose Trust
ADDITIONS	
Other	\$ 3,605
Total Additions	<u>3,605</u>
DEDUCTIONS	
Disbursement in Accordance with Trust	<u>3,000</u>
Total Deductions	<u>3,000</u>
Change in Net Assets	605
Net Assets - Beginning of Year	<u>5,741</u>
Net Assets - End of Year	<u><u>\$ 6,346</u></u>

See accompanying notes to the basic financial statements.

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

NOTE 1: DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Perry Local School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board and provides education services as mandated by State or Federal agencies. The Board controls the School District's three instructional facilities, staffed by 103 classified personnel, 128 certified full-time personnel and 10 administrative employees to provide services to students and other community members.

Reporting Entity

The School District is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The School District's primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes education, pupil transportation, food service and maintenance of the School District's facilities.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; (4) or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the School District has no component units.

The School District participates in three jointly governed organizations, an insurance purchasing pool, and a claims servicing pool. These organizations are the Ohio Schools Council Association, the Lake Geauga Computer Association, the Auburn Career Center, the Ohio School Boards Association Workers' Compensation Group Rating Program, and Lake County Council of Governments Health Care Benefits Self Insurance Program. These organizations are presented in Notes 18, 19, and 20, respectively, to the basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation

The School District's financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, operating and/or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

Fund financial statements are designed to present financial information of the School District at this more detailed level. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The School District's only internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

B. Fund Accounting

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

Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the 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 School District's major governmental funds are:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

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 is available to the School District 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 the receipts and expenditures related to the acquisition, construction or renovation of major capital facilities in the School District.

The other governmental funds of the School District account for grants, other resources, and capital projects of the School District whose uses are restricted to a particular purpose.

Proprietary Funds

The proprietary funds focus on the determination of operating income/loss, changes in net assets, financial position, and cash flows and are classified as either enterprise or internal service. The School District only has an internal service fund. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for a self-insurance program which provides medical coverage to the School District's 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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's fiduciary funds include a private purpose trust fund, which accounts for a college scholarship for students and an agency fund, which accounts for student activities.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus (Continued)

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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

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. The proprietary funds and the fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School 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 8). 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Deferred Revenue

Deferred 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.

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

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on 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. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Equity in Pooled Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in the account or temporarily used to purchase short term investments. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2008, investments were limited to repurchase agreements, U.S. Government Agency notes, U.S. Government Discount notes, commercial paper, money market mutual funds and STAROhio. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements with maturities of one year or less are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2008.

Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$798,479, which includes \$167,757 assigned from other School District funds.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Equity in Pooled Cash and Cash Equivalents (Continued)

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

F. Restricted Assets

Assets are reported as restricted items 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 in the general fund represent amounts required by the State statute to be utilized for school bus purchases. See Note 24 for additional information regarding set-asides.

G. Prepaid Items

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

H. Inventory

Inventories of the governmental funds are presented at the lower of cost or market on a first-in, first-out basis and expensed/expensed when used. Inventories consist of donated foods, purchased foods, school supplies held for resale and expendable supplies held for consumption.

I. Capital Assets

All capital assets of the School District are classified as general capital assets. 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 on 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 School District maintains a capitalization threshold of one thousand dollars (\$1,000). The School 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 capitalized.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

Description	Governmental Activities Estimated Lives
Land Improvements	20 years
Buildings and Improvements	10-50 years
Furniture and Equipment	5-10 years
Vehicles	10 years
Library and Textbooks	6 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due from/to other funds”. These amounts are eliminated in the governmental activities column of the statement of net assets. The School District’s policy of internal service activity in the government-wide statement of activities indicates that interfund services provided and used are eliminated in the process of consolidation and any residual balance of the internal service activity is allocated on a prorate basis to the functions participating in the internal service fund.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy. The School District records a liability for accumulated unused sick leave for classified, certified, and administrative employees within the School District.

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund or funds from which the employees who have accumulated the leave are paid.

L. Accrued Liabilities and Long-Term Obligations

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Accrued Liabilities and Long-Term Obligations (Continued)

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 and compensated absences 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. Capital lease obligations are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves and Designations

The School District records reservations for portions of fund balance which are legally segregated for 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 balance which is available for appropriation in future periods. Fund balance reserves are established for school bus purchases, encumbrances and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The amount restricted for other purposes includes state funds received for school bus purchases and other state and federal grants that are restricted by State or Federal statute.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are for the self-insurance program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

P. 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 nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Estimates

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

R. 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. As of June 30, 2008, there were no extraordinary or special items.

S. Budgetary Data

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 has been established by the Board of Education at the fund level for all funds. The Treasurer has been given the authority to allocate the Board appropriations to the function and object levels.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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. Public hearings are publicized and conducted to obtain taxpayers' comments. 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 the Lake County Budget Commission for rate determination.

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School 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 School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Budgetary Data (Continued)

The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2008.

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certification saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any legal level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations provided the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriation in the first complete appropriated budget, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On fund financial statements, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds. A reserve for encumbrances is not reported on government-wide financial statements.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Plans*. The School District has determined that the adoption of this statement did not have an impact on the School District's financial statements; however, note disclosures related to postemployment benefits have been modified.

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)

The following other pronouncements have been issued by the GASB and have been adopted by the School District; however, the School District has not incurred any of the transactions described below and as a result there has been no impact on the financial statements or note disclosures for the current period:

- In September 2006, the GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.
- In May 2007, the GASB issued Statement No. 50, *Pension Disclosures*. The information is not yet available from the retirement systems for the implementation of GASB Statement No. 50.

NOTE 4: RESTATEMENT OF PRIOR YEAR'S FUND BALANCES

In 2007, the School District combined the workers' compensation fund with the general fund since workers' compensation expenditures were being paid from the general fund. In addition, the School District separated the school net fund from the permanent improvement fund and presented them as such. The adjustments had the following effect on fund balances:

	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances, June 30, 2007	\$ 12,429,392	\$ 11,997,528	\$ 441,381	\$ 24,868,301
Adjustments:				
Inclusion of Workers' Compensation Fund	(96,994)	-	96,994	-
Separation of Permanent Improvement Fund and School Net fund	-	(139)	139	-
Fund Balances, June 30, 2007, as restated	\$ 12,332,398	\$ 11,997,389	\$ 538,514	\$ 24,868,301

On a budgetary basis, workers' compensation fund is combined with the general fund to be consistent with the GAAP presentation. Therefore, the general fund budgetary fund balance will be restated as follows:

	General Fund
Budgetary Fund Balance, June 30, 2007	\$ 13,556,338
Adjustments:	
Inclusion of Workers' Compensation Fund	(25,744)
Budgetary Fund Balance, June 30, 2007	\$ 13,530,594

NOTE 5: COMPLIANCE AND ACCOUNTABILITY

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

<u>Special Revenue Funds:</u>	<u>Deficit</u>
Food Services	\$23,294
IDEA, Part B Special Education, Education of Handicapped Children	\$13,622
Title I – Disadvantaged Children/Targeted Assistance	\$ 9,434

The fund deficits in the special revenue funds resulted from accrued liabilities. The general fund is liable for the deficits in these funds and will provide operating transfers when cash is required, not when accruals occur.

NOTE 6: BUDGETARY BASIS OF ACCOUNTING

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

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- C. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balances (GAAP) basis.

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$ 1,090,486
Net Adjustment for Revenue Accruals	282,118
Net Adjustments for Expenditure Accruals	(344,611)
Adjustment for Encumbrances	(140,400)
Budget Basis	<u>\$ 887,593</u>

NOTE 7: DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School 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 School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligations 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 or other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or division (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;
7. The State Treasurer's investment pool (STAROhio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

9. Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District and must be purchased with the expectation that it will be held to maturity.

At June 30, 2008, the School District's self-insurance internal service fund had a balance of \$625,451 with Lake County Council of Governments Health Care Benefits Self Insurance Program, a claims' servicing pool was determined based on the percentage of the School District's participants (see Note 20). The money is held by the claims servicer in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement No. 40. The classification of cash and cash equivalents and investments for the Lake County Council of Governments Health Care Benefits Program Self Insurance Program as a whole may be obtained from the Program. To obtain financial information, write to the Lake County Council Health Care Benefits Program, 30 South Park Place, Suite 320, Painesville, OH 44077.

The following disclosure is based on the criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*.

Cash on Hand

At June 30, 2008, the School District had \$3,000 in undeposited cash on hand, which is included on the balance sheet of the School District as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At June 30, 2008, the carrying amount of the School District's deposits was \$(451,353), and the bank balance was \$252,087. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the "zero balance" nature of the School District's bank accounts. \$100,000 of the School District's bank balance was covered by Federal Depository Insurance and \$152,087 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the School District's name. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposit may not be returned. The School District had no deposit policy for custodial risk beyond the requirement of State statute. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the ORC, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the School District.

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The School District has a formal investment policy. The School District follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At June 30, 2008, fair value was \$56,102 above the School District's net cost for investments. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

	<u>Average Maturity</u>	<u>Fair Value</u>	<u>Credit Rating *</u>
Federal Home Loan Bank	7/2/08 - 3/3/10	\$ 17,473,279	AAA
Federal Home Loan Mtg. Assoc.	7/30/08 - 4/28/10	4,854,033	AAA
Federal National Mtg. Assoc.	8/29/08 - 5/15/09	1,759,126	AAA
Federal Agric. Mtg. Assoc.	4/1/2009	598,440	AAA
Commercial Paper	7/14/08-7/28/08	3,255,338	A-1+
Money Market Mutual Fund -			
First American Treasury Obligation	1 Day	22,927	AAA
STAROhio	33 Days	871,509	AAA
Repurchase Agreement	1 Day	1,057,231	AAA
		<u>\$ 29,891,883</u>	

* Credit ratings have been obtained from Standard & Poors

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in investments so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than four years.

Credit Risk

The credit risks of the School District's investments are in the table above. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank notes, Federal Home Loan Mortgage Association notes, Federal National Mortgage Association notes and Federal Agriculture Mortgage Association notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2008:

	<u>Percentage of Investments</u>
Federal Home Loan Bank	58.5%
Federal Home Loan Mtg. Assoc.	16.2%
Federal National Mtg. Assoc.	5.9%
Federal Agric. Mtg. Assoc.	2.0%
Commercial Paper	10.9%
Money Market Mutual Fund - First American Treasury Obligation	0.1%
STAROhio	2.9%
Repurchase Agreement	3.5%
	<hr/> <u>100.0%</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of June 30, 2008, the School District had no exposure to foreign currency risk.

NOTE 8: PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School 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 School District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are paid annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2008, on the value as of December 31, 2007. 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 0 percent for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Lake County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable 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.

The amount available as an advance at June 30, 2008, was \$324,516 in the general fund.

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.

NOTE 8: PROPERTY TAXES (CONTINUED)

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

	<u>2007 Second</u>		<u>2008 First</u>	
	<u>Half Collections</u>		<u>Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 293,208,906	63.41%	\$ 298,812,840	65.65%
Public Utility	163,837,760	35.43%	152,113,140	33.42%
Tangible Personal Property	5,369,244	1.16%	4,218,120	0.93%
Total Assessed Value	<u>\$ 462,415,910</u>	<u>100.00%</u>	<u>\$ 455,144,100</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$ 44.20		\$ 44.20	

NOTE 9: RECEIVABLES

Receivables at June 30, 2008, consisted of taxes, accounts, accrued interest, and intergovernmental grants. 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. All receivables are expected to be collected within one year. The School District had \$143,316 in intergovernmental receivables.

NOTE 10: LAKE COUNTY SCHOOL FINANCING DISTRICT

The Board of Education of the School District has, by a resolution adopted February 6, 1990, pursuant to Section 3311.50 of the Ohio Revised Code, created a county school financing district known as the Lake County School Financing District (the "Financing District") for the purpose of levying taxes for the provision of the following specified educational programs and services by the school districts that are part of the Financing District: the provision of necessary personnel, materials, supplies, and transportation for instruction in language arts, social studies, mathematics, fine and practical arts, health and physical education, science, and business education.

The Board of Education of the School District acts as the taxing authority of the Financing District pursuant to Section 3311.50 of the Ohio Revised Code. The Financing District receives settlements of taxes levied and distributes them within ten days to each of the member district's proportionate share of that tax settlement. Each member district's proportionate share is a fraction, the numerator being member district's total pupil population and the denominator being the aggregate pupil population of all member districts as of that date. Taxes collected by the Financing District available to the School District at June 30 are recorded as receivables and revenue for the current fiscal year. Uncollected taxes outstanding received by the Financing District within 60 days after the fiscal year are recorded as a receivable and deferred revenue for they are measurable but not available to the School District. The total receivable is included in the account "Taxes Receivable".

Perry Local School District, Lake County

NOTE 11: CAPITAL ASSETS

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

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000
Construction in Progress	8,691	-	(8,691)	-
Total Capital Assets, not being depreciated	1,208,691	-	(8,691)	1,200,000
Capital Assets, being depreciated:				
Land Improvements	11,342,884	402,600	-	11,745,484
Building and Improvements	94,913,858	514,592	-	95,428,450
Furniture and Equipment	1,997,562	28,785	-	2,026,347
Vehicles	2,195,992	-	(66,436)	2,129,556
Library and text books	919,543	-	-	919,543
Total Capital Assets, being depreciated	111,369,839	945,977	(66,436)	112,249,380
Less Accumulated Depreciation:				
Land Improvements	(8,006,070)	(578,946)	-	(8,585,016)
Building and Improvements	(42,731,875)	(3,009,462)	-	(45,741,337)
Furniture and Equipment	(1,304,545)	(148,286)	-	(1,452,831)
Vehicles	(1,156,608)	(125,073)	62,007	(1,219,674)
Library and text books	(891,561)	(18,655)	-	(910,216)
Total Accumulated Depreciation	(54,090,659)	(3,880,422)	62,007	(57,909,074)
Total Capital Assets being depreciated, Net	57,279,180	(2,934,445)	(4,429)	54,340,306
 Governmental Activities' Capital Assets, Net	 \$ 58,487,871	 \$ (2,934,445)	 \$ (13,120)	 \$ 55,540,306

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 3,543,052
Vocational	9,290
Support Services:	
Instructional Staff	19,171
Administration	8,309
Operation and Maintenance of Plant	47,630
Pupil Transportation	111,088
Operation of Non-Instructional Services:	
Food Services	9,932
Extracurricular Activities:	
Sport Oriented Activities	131,950
Total Depreciation Expense	\$ 3,880,422

NOTE 12: **RISK MANAGEMENT**

A. Property and Liability

The School 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 School District is a member of the Ohio Schools Council Insurance Company property and fleet insurance purchasing group. On behalf of member school districts, the Ohio Schools Council prepares specifications and solicits quotations from insurance companies. The School District fleet was insured with Indiana Insurance (through April 2008 and then Ohio Schools Council after April, 2008) with a \$1,000,000 liability limit per loss. Indiana Insurance carried the property insurance (which includes inland, marine, earthquake and crime), and also covered the boilers and machinery.

Since school districts are not protected by the doctrine of sovereign immunity, the School District contracted with Ohio School Plan (through the Ohio School Boards Association/Nationwide Ohio Educational Liability Insurance program) for coverage with limits of liability of \$2,000,000 per claim and \$2,000,000 aggregate to insure the School District, the Board, all Board members, all administrators, certified and classified employees and volunteers.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from last year.

B. Workers' Compensation

For fiscal year 2008, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School 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 percentage 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 and Co. provides administrative, cost control and actuarial services to the GRP. Each year the School District pays an enrollment fee to the Plan to cover costs of administering the program.

C. Employee Insurance Benefits

The School District provides medical coverage to employees through a self-insurance program. The School District uses the general fund on the budgetary basis and the self-insurance internal service fund on a GAAP basis to account for and finance its uninsured risks of loss in this program. Prior to fiscal year 2003, the School District utilized the general fund to account for the self-insurance program.

The School District participates in Lake County Council of Governments Health Care Benefits (HCBP) Self Insurance Program, a claim servicing pool (see Note 20). The Plan's business and affairs are conducted by a five member Board of Directors elected from the HCBP assembly. All participating members retain their risk and the Plan acts as the claims servicing agent.

NOTE 12: RISK MANAGEMENT (CONTINUED)

C. Employee Insurance Benefits (Continued)

The June 30, 2008 claims liability and cash with fiscal agent are determined based on the percentage of the School District’s participants to total pool participants. For the year ended June 30, 2008, the pool’s cash reserves and claims liability were \$6,224,711 and \$3,039,000, respectively. The School District’s allocated pool percentage for the year ended June 30, 2008 was 10.0 percent, which represents \$625,451 and \$305,355 of pooled cash reserves and claims liabilities, respectively.

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Current Year Payments</u>	<u>Balance at End of Year</u>
2006	\$ 377,546	\$ 1,922,223	\$ 2,055,398	\$ 244,371
2007	\$ 244,371	\$ 2,157,039	\$ 2,087,926	\$ 313,484
2008	\$ 313,484	\$ 2,326,439	\$ 2,334,568	\$ 305,355

NOTE 13: DEFINED BENEFIT PENSION PLANS

State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone comprehensive annual financial report that may be obtained by writing to STRS Ohio, 275 E. Broad Street, Columbus, Ohio 43215-3371 or by calling toll-free 1-888-227-7877, or by visiting the STRS website at www.strsoh.org.

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. Defined Contribution and Combined Plan members will transfer to the Defined Benefit plan during their fifth year of membership unless they permanently select the Defined Contribution or Combined Plan.

The Defined Benefit Plan benefits are established under Chapter 3307 of the Ohio Revised Code. Any member may retire who had (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-purchased 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 members’ three highest salary years. The annual allowance is calculated by using a base percentage of 2.2 percent multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5 percent with an additional one-tenth of a percent added to the calculation for every year over 31 years until 100 percent of the final average salary is reached. For members with 35 or more years of Ohio contributing services, the first 30 years will be calculated at 2.5 percent. Under the money-purchase benefit, members’ lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. The total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance. Benefits are increased annually by 3 percent of the original base amount.

NOTE 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Defined Contribution Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. Benefits are established under Sections 3307.80 to 3307.89 of the Ohio Revised Code. 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 Defined Contribution Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the members' designated beneficiary is entitled to receive the members' account balance.

The Combined Plan offers features of the Defined Contribution Plan and the Defined Benefit Plan. Member contributions are allocated to investments selected by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular Defined Benefit Plan. Plan members' defined benefit is determined by multiplying 1 percent of the members' final average salary by the members' years of service credit. The defined benefit portion of the Combined Plan is payable to members on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during 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.

For fiscal year ended June 30, 2008 members were required to contribute 10 percent of their annual covered salary and the School District was required to contribute 14 percent. Member and employer contributions were established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers provided by Chapter 3307 of the Ohio Revised Code. Of the 14 percent contributed by the School District, 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007 and 2006 were \$1,329,860, \$1,422,768, and \$1,412,069, respectively; 95.45 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Member and employer contributions actually made for the Defined Contribution and Combined Plan participants will be provided upon written request.

School Employees Retirement System

The School 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. The report can be obtained by contacting SERS, 300 E. Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free 1-800-878-5853. It is also posted on SERS' website at www.ohsers.org under *Forms and Publications*.

NOTE 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required pension contributions to SERS for the years ended June 30, 2008, 2007 and 2006 were \$376,877, \$459,515 and \$451,706, respectively; 100 percent has been contributed for fiscal year 2008 and 100 percent for fiscal year 2007 and 2006.

NOTE 14: POST-EMPLOYMENT BENEFITS

Ohio law authorizes STRS to offer a cost-sharing, multiple employer health care plan to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement on monthly Medicare Part B premiums.

Pursuant to 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio law funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care. For the fiscal years ended June 30, 2008, 2007 and 2006, the School District's contributions to post-employment health care were \$102,297, \$109,981 and \$483,735, respectively; 95.46 percent has been contributed for 2008 and 100 percent for fiscal years 2007 and 2006.

SERS administers two post-employment benefit plans, the Medicare Part B Plan and the Health Care Plan as permitted by Ohio Revised Code Sections 3309.69 and 3309.375. The Medicare Part B Plan reimburses for Medicare Part B premiums paid by eligible retirees and beneficiaries. The Health Care Plan provides health care and prescription drug plans administered by two third-party administrators. The Retirement Board establishes rules for premiums paid by retirees for health care coverage and varies depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The Medicare Part B premium reimbursement plan reimburses eligible retirees for the lesser of January 1, 1999 Medicare Part B premiums or the current premium. The Medicare Part B premium for calendar year 2007 (most recent information available) was \$93.50. SERS' reimbursement to retirees was \$45.50. The Retirement Board, with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare Part B Fund. For fiscal year 2008 the actuarially required allocation was .66 percent. For the fiscal year ended June 30, 2008, 2007 and 2006 the School District's contributions to Medicare Part B were \$27,155, \$31,247, and \$35,952 respectively; 100 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Health Care Plan is funded through employer contributions. Each year after allocation for required benefits the Retirement Board allocates the remainder of the employers' 14 percent contribution. At June 30, 2008 the health care allocation was 4.18 percent. The actuarially required contribution (ARC), as of December 31, 2006 annual valuation (latest information available), was 11.50 percent of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum

NOTE 14: POST-EMPLOYMENT BENEFITS (CONTINUED)

compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2008, the minimum compensation level was established at \$35,800.

For fiscal years ended June 30, 2008, 2007 and 2006, the School District's contributions to the Health Care Plan, including the surcharge, were \$237,789, \$152,559 and \$225,188, respectively; 100 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 15: OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES

The criteria for determining vacation, personal, and sick leave benefits are derived from negotiated agreements and State laws. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and other nine month employees do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, an employee is paid for 50 percent of accumulated sick days up to a maximum of 270 accumulated sick days.

NOTE 16: LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2008 were as follows:

	<u>Principal Outstanding June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Principal Outstanding June 30, 2008</u>	<u>Due in One Year</u>
Governmental Activities					
<u>General Obligation Bonds and Notes</u>					
2006 Energy Conservation Note, \$2,156,818, 3.88%	\$ 1,976,487	\$ -	\$ 187,396	\$ 1,789,091	\$ 194,737
Total General Obligation Bonds and Notes	<u>1,976,487</u>	<u>-</u>	<u>187,396</u>	<u>1,789,091</u>	<u>194,737</u>
<u>Other Long-term Obligations</u>					
2008 Capital Lease, \$188,400, 3.80%	-	188,400	-	188,400	60,451
Retirement Incentive	-	40,000	-	40,000	40,000
Compensated Absences	2,582,774	618,007	(560,297)	2,640,484	572,816
Total Other Long-term Obligations	<u>2,582,774</u>	<u>846,407</u>	<u>(560,297)</u>	<u>2,868,884</u>	<u>673,267</u>
Total Governmental Activities	<u>\$ 4,559,261</u>	<u>\$ 846,407</u>	<u>\$ (372,901)</u>	<u>\$ 4,657,975</u>	<u>\$ 868,004</u>

On March 30, 2006, the School District entered into a 10-year installment payment agreement with Citimortgage, Inc. for \$2,156,818, bearing interest at the rate of 3.88 percent per annum. The proceeds were used for the purpose of renovating and otherwise improving energy conservation at school facilities. The annual debt service payments are paid out of the Permanent Improvement fund

In fiscal year 2008, the School District obtained a capital lease in the amount of \$188,400, bearing an interest rate of 3.80 percent per annum. This lease will mature in fiscal year 2011. The lease was used to finance the purchase of 200 computers for students. The annual debt service payments are paid out of the general fund.

Retirement incentives and compensated absences will be paid from the fund from which the employees' salaries are paid.

NOTE 16: LONG-TERM OBLIGATIONS (CONTINUED)

Principal and interest requirements to retire general obligation debt outstanding as of June 30, 2008 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 194,737	\$ 67,546	\$ 262,283
2010	202,366	59,917	262,283
2011	210,294	51,989	262,283
2012	218,532	43,751	262,283
2013	227,094	35,189	262,283
2014-2018	736,068	50,781	786,849
Total	<u>\$ 1,789,091</u>	<u>\$ 309,173</u>	<u>\$ 2,098,264</u>

NOTE 17: CAPITAL LEASE OBLIGATION

In fiscal year 2008, the School District entered into a lease agreement for 200 computers, in the amount of \$188,400. The School District's lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of inception date for the governmental activities in the statement of net assets.

The future minimum lease payments required under capital leases are as follows:

Fiscal Year Ending, <u>June 30,</u>	<u>Governmental Activities</u>
2009	\$ 67,042
2010	67,042
2011	67,042
Total	201,126
Less: Amount representing interest Present value of minimum lease payments	<u>(12,726)</u>
	<u>\$ 188,400</u>

NOTE 18: JOINTLY GOVERNED ORGANIZATIONS

A. Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among one hundred seventy-seven 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 nine 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. In fiscal year 2008, the School District paid \$636,477 to the Council.

NOTE 18: JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

A. Ohio Schools' Council Association (Continued)

Financial information can be obtained by contacting David A. Cottrell, the Executive Director/Treasurer of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

Energy Acquisition Corporation, a non-profit corporation with a self-appointing board issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating Company (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 Corporation.

The School 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 twelve years of natural gas from CMS Energy Corporation for their 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.

B. Lake Geauga Computer Association

The Lake Geauga Computer Association (the LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS, and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$34,723 to LGCA during fiscal year 2008. The Executive Committee (Governing Board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. LGCA's continued existence is not dependent on the School District's continued participation. LGCA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. Financial information can be obtained from 8221 Auburn Road, Painesville, Ohio 44077.

NOTE 18: JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

C. Auburn Career Center

The Auburn Career Center is a joint vocational school district which is a jointly governed board appointment organization among eleven school districts. Each participating school district appoints one member to the Auburn Career Center's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Auburn Career Center is limited to its representation on the Board. The Auburn Career Center receives 1.5 mills of the School District's property tax, which is paid to the Auburn Career Center directly by Geauga County. No other contribution by the School District is required. Continued existence of the Auburn Career Center is not dependent on the School District's continued participation. Financial information can be obtained from 8140 Auburn Road, Painesville, Ohio 44077.

NOTE 19: INSURANCE PURCHASING POOL

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP'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 program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 20: CLAIMS SERVICING POOL

The School District participates in the Lake County Council of Governments Health Care Benefits (HCBP) Self Insurance Program, a claims servicing pool comprised of eleven Lake County school districts. Each school district has a representative on the assembly (usually the superintendent or a designee). Each member pays an administrative fee to the pool. The plan's business and affairs are conducted by a five-member Board of Directors elected by the HCBP's assembly. The assembly elects officers for one-year terms to serve on the Board of Directors.

NOTE 21: CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

B. Litigation

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

NOTE 22: STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...”. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

NOTE 23: INTERFUND RECEIVABLES, PAYABLES, TRANSFERS

The composition of interfund balances as of June 30, 2008, is as follows:

B. Due to/from Other Funds

<u>Receivable Fund:</u>	<u>Payable Fund:</u>	<u>Amount</u>
General	Nonmajor Governmental Fund	\$ 12,000

On the fund financial statements, the general fund reported an interfund receivable and the nonmajor governmental fund reported interfund payable of \$12,000. The general fund provided temporary funding for the nonmajor governmental fund until funds are received from the granting entity. These will be repaid within one year.

B. Interfund Transfers

<u>Transfers Out:</u>	<u>Transfers In</u>			<u>Total</u>
	<u>Permanent Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	
General Fund	\$ 1,850,000	\$ 583,697	\$ 165,000	\$ 2,598,697

The general fund transfers to the permanent improvement fund, the nonmajor governmental funds and the self-insurance fund were made to provide additional resources for current operations. On the government-wide financial statements, these transfers were eliminated since they were within the governmental activities.

NOTE 24: SET-ASIDE REQUIREMENTS

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 the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization.

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

	<u>Textbooks & Instructional Materials Reserve</u>	<u>Capital Improvements Reserve</u>
Set-Aside Reserve Balance as of June 30, 2007	\$ (6,647,222)	\$ -
Current Year Set-Aside Requirements	302,703	302,703
Qualifying Disbursements	<u>(357,121)</u>	<u>(810,016)</u>
Total	<u>\$ (6,701,640)</u>	<u>\$ (507,313)</u>
Set-Aside Balance as of June 30, 2008, and carried forward to future fiscal years	<u>\$ (6,701,640)</u>	<u>\$ -</u>

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

In addition, to the above statutory reserves, the School District also received monies restricted for school bus purchases. As of June 30, 2008, the amount restricted for school bus purchases presented in the governmental funds was \$48,920.

**COMBINING STATEMENTS OF
INDIVIDUAL FUND SCHEDULES**

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. A description of the School District's nonmajor special revenue funds follow:

Food Service - This fund accounts for the provision of food service to the School District.

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

Special Rotary – This fund accounts for field trip collections within the School District.

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

Other Grants – This fund accounts for monies received to promote community involvement and to support activities between the School District and community.

Special Enterprise – This fund accounts for the operation of the Community Fitness Center funded through charges for services from families and corporations.

Termination Benefits – This fund accumulated funds to pay termination benefits to eligible employees.

District Managed Student Activity - This fund is used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund includes all athletic programs, except supplemental coaching contacts, and accounts for revenues and costs of the School District's athletic programs.

Management Information Systems - This fund is used to account for revenue provided by the State of Ohio to be used solely for costs associated with the requirements of the education management information system required by Senate Bill 140.

Entry Year Teachers - This fund is used to implement entry-year programs pursuant to Division (T) of Section 3317.024 of the Ohio Revised Code.

Data Communication - This fund is used to account for money appropriated for Ohio Educational Computer Network Connections.

School Net Professional Development - This fund was established to provide training for teachers to become practitioners. This fund is provided to account for a limited number of professional development subsidy grants.

Ohio Reads Grant - This fund was established to provide funds to improve reading outcomes, especially on the fourth grade reading proficiency test, and for volunteer coordinators in public school buildings, for education 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.

Summer School Intervention - This fund accounts for summer intervention services satisfying criteria defined in Division (E) of Section 2318.608 of the Ohio Revised Code.

Miscellaneous State Grants - This fund is used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and approved by the Auditor of State.

IDEA, Part B Special Education, Education of Handicapped Children - The purpose of this federal program is to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Title III – Limited English Proficiency – The purpose of this federal program is to provide funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I - Disadvantaged Children/Targeted Assistance - This fund is used to provide financial assistance to state and local educational agencies to meet the special needs of educationally deprived children.

Title V – Innovative Education Programs - This fund is used to consolidate various programs into a single authorization of grants to states for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the state and local agencies.

Drug Free Schools Grant - This fund provides funds to local educational agencies and consortia of these agencies to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools, and to engage in development, training, technical assistance, and coordination activities.

IDEA – Preschool Grant for the Handicapped – The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Improving Teacher Quality - This fund is used to account for monies to hire additional classroom teachers in grades 1 through 3 so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants - This fund is used to account for various monies received through state agencies from the Federal government or directly from the Federal government. This program is to provide individual instructions to first and second grade students in the academic area of reading and math, with the assistance of a trained group of adult volunteers using appropriate service training activities.

Nonmajor Capital Projects Fund

Capital Projects funds are used to account for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Following is a description of the nonmajor capital projects funds:

School Net - This fund is used to account for monies received by the State of Ohio for the purpose of purchasing computers for K-4 grades.

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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Private Purpose Trust Fund

Private Purpose Trust Scholarship Fund - This fund accounts for scholarships provided to students.

Agency Fund

Student Activities Fund - This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,083,130	\$ 12,357	\$ 1,095,487
Receivables:			
Accounts	1,400	-	1,400
Materials and Supplies Inventory	10,803		10,803
Total Assets	<u><u>\$ 1,095,333</u></u>	<u><u>\$ 12,357</u></u>	<u><u>\$ 1,107,690</u></u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accrued Wages and Benefits	\$ 72,551	\$ -	\$ 72,551
Due to other funds	12,000	-	12,000
Intergovernmental Payable	12,587	-	12,587
Deferred Revenue	7,858	-	7,858
Total Liabilities	<u>104,996</u>	<u>-</u>	<u>104,996</u>
 Fund Balances			
Reserved for:			
Encumbrances	13,469	-	13,469
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	976,868	-	976,868
Capital Projects Funds	-	12,357	12,357
Total Fund Balances	<u>990,337</u>	<u>12,357</u>	<u>1,002,694</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,095,333</u></u>	<u><u>\$ 12,357</u></u>	<u><u>\$ 1,107,690</u></u>

**Combining 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 Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ 639,401	\$ 12,218	\$ 651,619
Food Services	657,214	-	657,214
Extracurricular Activities	299,946	-	299,946
Classroom Materials and Fees	16,395	-	16,395
Charges for Services	101,310	-	101,310
Miscellaneous	89,253	-	89,253
Total Revenues	<u>1,803,519</u>	<u>12,218</u>	<u>1,815,737</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular	72,699	-	72,699
Special	299,784	-	299,784
Other	2,240	-	2,240
Support Services:			
Pupils	31,712	-	31,712
Instructional Staff	48,715	-	48,715
Operation of Non-Instructional Services:			
Food Service Operations	989,954	-	989,954
Community Services	99,827	-	99,827
Other	565	-	565
Extracurricular Activities	389,758	-	389,758
Total Expenditures	<u>1,935,254</u>	<u>-</u>	<u>1,935,254</u>
Excess Revenues Over (Under) Expenditures	<u>(131,735)</u>	<u>12,218</u>	<u>(119,517)</u>
 <u>OTHER FINANCING SOURCES</u>			
Transfers In	583,697	-	583,697
Total Other Financing Sources	<u>583,697</u>	<u>-</u>	<u>583,697</u>
Net Change in Fund Balances	451,962	12,218	464,180
 Fund Balances - Beginning of Year, as Restated	<u>538,375</u>	<u>139</u>	<u>538,514</u>
Fund Balances - End of Year	<u>\$ 990,337</u>	<u>\$ 12,357</u>	<u>\$ 1,002,694</u>

Perry Local School District, Lake County

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

	Food Services	Uniform School Supplies	Special Rotary	Public School Support
ASSETS				
Equity in Pooled Cash & Cash Equivalents	\$ 25,341	\$ 16,403	\$ 30,172	\$ 63,075
Receivables:				
Accounts	-	-	60	-
Materials and Supplies Inventory	10,803	-	-	-
Total Assets	\$ 36,144	\$ 16,403	\$ 30,232	\$ 63,075
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued Wages and Benefits	\$ 42,506	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Intergovernmental Payable	9,074	-	-	-
Deferred Revenue	7,858	-	-	-
Total Liabilities	59,438	-	-	-
 Fund Balances				
Reserved for:				
Encumbrances	700	-	-	555
Unreserved, Undesignated (Deficit)	(23,994)	16,403	30,232	62,520
Total Fund Balances (Deficit)	(23,294)	16,403	30,232	63,075
Total Liabilities and Fund Balances	\$ 36,144	\$ 16,403	\$ 30,232	\$ 63,075

(Continued)

Perry Local School District, Lake County

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

	Other Grants	Special Enterprise	Termination Benefits	District Managed Student Activity
ASSETS				
Equity in Pooled Cash & Cash Equivalents	\$ 1,394	\$ 30,702	\$ 778,671	\$ 49,956
Receivables:				
Accounts	-	840	-	500
Materials and Supplies Inventory	-	-	-	-
Total Assets	\$ 1,394	\$ 31,542	\$ 778,671	\$ 50,456
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued Wages and Benefits	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	12,000
Intergovernmental Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	-	-	-	12,000
 Fund Balances				
Reserved for:				
Encumbrances	-	-	-	12,214
Unreserved, Undesignated (Deficit)	1,394	31,542	778,671	26,242
Total Fund Balances (Deficit)	1,394	31,542	778,671	38,456
Total Liabilities and Fund Balances	\$ 1,394	\$ 31,542	\$ 778,671	\$ 50,456

(Continued)

Perry Local School District, Lake County

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

	<u>Management Information Systems</u>	<u>Entry Year Teachers</u>	<u>Data Communication</u>	<u>School Net Professional Development</u>
ASSETS				
Equity in Pooled Cash & Cash Equivalents	\$ 6,844	\$ 5,850	\$ 9,148	\$ 7,341
Receivables:				
Accounts	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 6,844</u>	<u>\$ 5,850</u>	<u>\$ 9,148</u>	<u>\$ 7,341</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued Wages and Benefits	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Intergovernmental Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Reserved for:				
Encumbrances	-	-	-	-
Unreserved, Undesignated (Deficit)	6,844	5,850	9,148	7,341
Total Fund Balances (Deficit)	<u>6,844</u>	<u>5,850</u>	<u>9,148</u>	<u>7,341</u>
Total Liabilities and Fund Balances	<u>\$ 6,844</u>	<u>\$ 5,850</u>	<u>\$ 9,148</u>	<u>\$ 7,341</u>

(Continued)

Perry Local School District, Lake County

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

	Summer School Intervention	Miscellaneous State Grants	IDEA, Part B Special Education, Education of Handicapped Children	Title III - Limited English Proficiency
ASSETS				
Equity in Pooled Cash & Cash Equivalents	\$ 15,493	\$ 27,730	\$ 7,773	\$ 792
Receivables:				
Accounts	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
Total Assets	\$ 15,493	\$ 27,730	\$ 7,773	\$ 792
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued Wages and Benefits	\$ -	\$ -	\$ 19,155	\$ -
Due to Other Funds	-	-	-	-
Intergovernmental Payable	-	-	2,240	-
Deferred Revenue	-	-	-	-
Total Liabilities	-	-	21,395	-
Fund Balances				
Reserved for:				
Encumbrances	-	-	-	-
Unreserved, Undesignated (Deficit)	15,493	27,730	(13,622)	792
Total Fund Balances (Deficit)	15,493	27,730	(13,622)	792
Total Liabilities and Fund Balances	\$ 15,493	\$ 27,730	\$ 7,773	\$ 792

(Continued)

Perry Local School District, Lake County

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

	Title I - Disadvantaged Children/ Targeted Assistance	Title V - Innovative Education Programs	Drug Free Schools Grant	IDEA Preschool Grant for the Handicapped	Total Nonmajor Special Revenue Funds
ASSETS					
Equity in Pooled Cash & Cash Equivalents	\$ 2,729	\$ 12	\$ 2,654	\$ 1,050	\$ 1,083,130
Receivables:					
Accounts	-	-	-	-	1,400
Materials and Supplies Inventory	-	-	-	-	10,803
Total Assets	\$ 2,729	\$ 12	\$ 2,654	\$ 1,050	\$ 1,095,333
LIABILITIES AND FUND BALANCES					
Liabilities					
Accrued Wages and Benefits	\$ 10,890	\$ -	\$ -	\$ -	\$ 72,551
Due to Other Funds	-	-	-	-	12,000
Intergovernmental Payable	1,273	-	-	-	12,587
Deferred Revenue	-	-	-	-	7,858
Total Liabilities	12,163	-	-	-	104,996
Fund Balances					
Reserved for:					
Encumbrances	-	-	-	-	13,469
Unreserved, Undesignated (Deficit)	(9,434)	12	2,654	1,050	976,868
Total Fund Balances (Deficit)	(9,434)	12	2,654	1,050	990,337
Total Liabilities and Fund Balances	\$ 2,729	\$ 12	\$ 2,654	\$ 1,050	\$ 1,095,333

Perry Local School District, Lake County

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

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Special Rotary</u>	<u>Public School Support</u>	<u>Other Grants</u>
REVENUES					
Intergovernmental	\$ 185,116	\$ -	\$ -	\$ -	\$ -
Food Services	657,214	-	-	-	-
Extracurricular Activities	-	6,927	92,557	32,291	-
Classroom Materials and Fees	-	521	-	15,874	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	125	481	6,460	2,000
Total Revenues	<u>842,330</u>	<u>7,573</u>	<u>93,038</u>	<u>54,625</u>	<u>2,000</u>
EXPENDITURES					
Current:					
Instruction:					
Regular	-	5,786	-	-	-
Special	-	-	-	-	-
Other	-	-	-	-	-
Support Services:					
Pupils	-	-	11,683	-	-
Instructional Staff	-	-	-	-	-
Operation of Non-Instructional Services:					
Food Services	989,954	-	-	-	-
Community Services	-	-	-	-	2,000
Other	-	-	-	-	-
Extracurricular Activities	-	-	63,051	64,431	-
Total Expenditures	<u>989,954</u>	<u>5,786</u>	<u>74,734</u>	<u>64,431</u>	<u>2,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(147,624)</u>	<u>1,787</u>	<u>18,304</u>	<u>(9,806)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfers In	143,500	-	-	-	-
Total Other Financing Sources	<u>143,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,124)	1,787	18,304	(9,806)	-
Fund Balances - Beginning of Year, as Restated	(19,170)	14,616	11,928	72,881	1,394
Fund Balances - End of Year	<u>\$ (23,294)</u>	<u>\$ 16,403</u>	<u>\$ 30,232</u>	<u>\$ 63,075</u>	<u>\$ 1,394</u>

(Continued)

Perry Local School District, Lake County

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

	<u>Special Enterprise</u>	<u>Termination Benefits</u>	<u>District Managed Student Activity</u>	<u>Management Information Systems</u>	<u>Entry Year Teachers</u>
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 6,680	\$ 3,150
Food Services	-	-	-	-	-
Extracurricular Activities	-	-	168,171	-	-
Classroom Materials and Fees	-	-	-	-	-
Charges for Services	101,310	-	-	-	-
Miscellaneous	20,673	-	59,514	-	-
Total Revenues	<u>121,983</u>	<u>-</u>	<u>227,685</u>	<u>6,680</u>	<u>3,150</u>
EXPENDITURES					
Current:					
Instruction:					
Regular	-	-	-	-	-
Special	-	-	-	-	-
Other	-	-	-	-	-
Support Services:					
Pupils	-	-	-	-	-
Instructional Staff	-	-	-	-	-
Operation of Non-Instructional Services:					
Food Services	-	-	-	-	-
Community Services	97,827	-	-	-	-
Other	565	-	-	-	-
Extracurricular Activities	-	-	262,276	-	-
Total Expenditures	<u>98,392</u>	<u>-</u>	<u>262,276</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>23,591</u>	<u>-</u>	<u>(34,591)</u>	<u>6,680</u>	<u>3,150</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	362,555	75,100	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>362,555</u>	<u>75,100</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	23,591	362,555	40,509	6,680	3,150
Fund Balances - Beginning of Year, as Restated	7,951	416,116	(2,053)	164	2,700
Fund Balances - End of Year	<u>\$ 31,542</u>	<u>\$ 778,671</u>	<u>\$ 38,456</u>	<u>\$ 6,844</u>	<u>\$ 5,850</u>

(Continued)

Perry Local School District, Lake County

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

	<u>Data</u> <u>Communication</u>	<u>School Net</u> <u>Professional</u> <u>Development</u>	<u>Ohio Reads</u> <u>Grant</u>	<u>Summer</u> <u>School</u> <u>Intervention</u>	<u>Miscellaneous</u> <u>State</u> <u>Grants</u>
REVENUES					
Intergovernmental	\$ 9,000	\$ 2,970	\$ -	\$ -	\$ 28,904
Food Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Classroom Materials and Fees	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>9,000</u>	<u>2,970</u>	<u>-</u>	<u>-</u>	<u>28,904</u>
EXPENDITURES					
Current:					
Instruction:					
Regular	-	-	-	-	2,895
Special	-	-	-	-	-
Other	-	-	-	-	-
Support Services:					
Pupils	-	-	-	-	-
Instructional Staff	-	-	-	-	-
Operation of Non-Instructional					
Services:					
Food Services	-	-	-	-	-
Community Services	-	-	-	-	-
Other	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,895</u>
Excess of Revenues Over (Under) Expenditures	<u>9,000</u>	<u>2,970</u>	<u>-</u>	<u>-</u>	<u>26,009</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	2,542	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,542</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	9,000	2,970	2,542	-	26,009
Fund Balances - Beginning of Year, as Restated	148	4,371	(2,542)	15,493	1,721
Fund Balances - End of Year	<u>\$ 9,148</u>	<u>\$ 7,341</u>	<u>\$ -</u>	<u>\$ 15,493</u>	<u>\$ 27,730</u>

(Continued)

Perry Local School District, Lake County

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

	IDEA, Part B Special Education, Education of Handicapped Children	Title III - Limited English Proficiency	Title I - Disadvantaged Children/ Targeted Assistance	Title V - Innovative Education Programs	Drug Free Schools Grant
REVENUES					
Intergovernmental	\$ 300,270	\$ -	\$ 54,584	\$ 2,494	\$ 4,125
Food Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Classroom Materials and Fees	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>300,270</u>	<u>-</u>	<u>54,584</u>	<u>2,494</u>	<u>4,125</u>
EXPENDITURES					
Current:					
Instruction:					
Regular	-	-	64,018	-	-
Special	299,784	-	-	-	-
Other	2,240	-	-	-	-
Support Services:					
Pupils	20,029	-	-	-	-
Instructional Staff	-	-	-	2,482	4,125
Operation of Non-Instructional Services:					
Food Services	-	-	-	-	-
Community Services	-	-	-	-	-
Other	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Total Expenditures	<u>322,053</u>	<u>-</u>	<u>64,018</u>	<u>2,482</u>	<u>4,125</u>
Excess of Revenues Over (Under) Expenditures	<u>(21,783)</u>	<u>-</u>	<u>(9,434)</u>	<u>12</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(21,783)</u>	<u>-</u>	<u>(9,434)</u>	<u>12</u>	<u>-</u>
Fund Balances - Beginning of Year, as Restated	8,161	792	-	-	2,654
Fund Balances - End of Year	<u>\$ (13,622)</u>	<u>\$ 792</u>	<u>\$ (9,434)</u>	<u>\$ 12</u>	<u>\$ 2,654</u>

(Continued)

Perry Local School District, Lake County

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

	IDEA Preschool Grant for the Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
REVENUES				
Intergovernmental	\$ 13,180	\$ 28,680	\$ 248	\$ 639,401
Food Services	-	-	-	657,214
Extracurricular Activities	-	-	-	299,946
Classroom Materials and Fees	-	-	-	16,395
Charges for Services	-	-	-	101,310
Miscellaneous	-	-	-	89,253
Total Revenues	<u>13,180</u>	<u>28,680</u>	<u>248</u>	<u>1,803,519</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	-	-	-	72,699
Special	-	-	-	299,784
Other	-	-	-	2,240
Support Services:				
Pupils	-	-	-	31,712
Instructional Staff	13,180	28,680	248	48,715
Operation of Non-Instructional Services:				
Food Services	-	-	-	989,954
Community Services	-	-	-	99,827
Other	-	-	-	565
Extracurricular Activities	-	-	-	389,758
Total Expenditures	<u>13,180</u>	<u>28,680</u>	<u>248</u>	<u>1,935,254</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131,735)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	583,697
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>583,697</u>
Net Change in Fund Balances	-	-	-	451,962
Fund Balances - Beginning of Year, as Restated	1,050	-	-	538,375
Fund Balances - End of Year	<u>\$ 1,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 990,337</u>

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

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<u>Student Activities</u>				
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 58,337	\$ 86,020	\$ 82,355	\$ 62,002
Receivables:				
Accounts	-	3,269	-	3,269
Total Assets	\$ 58,337	\$ 89,289	\$ 82,355	\$ 65,271
LIABILITIES				
Accounts Payable	\$ 890	\$ -	\$ 890	\$ -
Due to Students	57,447	7,824	-	65,271
Total Liabilities	\$ 58,337	\$ 7,824	\$ 890	\$ 65,271

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)**

Perry Local School District, Lake County

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 14,147,657	\$ 14,147,657	\$ 17,431,942	\$ 3,284,285
Intergovernmental	12,899,580	12,899,580	11,807,390	(1,092,190)
Tuition	37,441	37,441	34,271	(3,170)
Transportation Fees	22,981	22,981	21,035	(1,946)
Earnings on Investments	1,081,017	1,081,017	989,489	(91,528)
Miscellaneous	29,884	29,884	27,354	(2,530)
Total Revenues	28,218,560	28,218,560	30,311,481	2,092,921
EXPENDITURES				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,345,947	7,345,947	7,281,232	64,715
Fringe Benefits	2,942,535	2,942,535	2,916,612	25,923
Purchased Services	371,298	371,298	368,026	3,272
Supplies and Materials	362,606	362,606	359,413	3,193
Capital Outlay	300,726	300,726	298,077	2,649
Other	10,397	10,397	10,305	92
Total Regular Instruction	11,333,509	11,333,509	11,233,665	99,844
Special Instruction:				
Salaries and Wages	502,460	502,460	498,034	4,426
Fringe Benefits	187,020	187,020	185,372	1,648
Purchased Services	575,365	575,365	570,297	5,068
Supplies and Materials	4,942	4,942	4,897	45
Capital Outlay	14,392	14,392	14,265	127
Total Special Instruction	1,284,179	1,284,179	1,272,865	11,314
Vocational Instruction:				
Salaries and Wages	75,419	75,419	74,755	664
Fringe Benefits	32,739	32,739	32,451	288
Supplies and Materials	3,082	3,082	3,055	27
Total Vocational Instruction	111,240	111,240	110,261	979
Other Instruction				
Salaries and Wages	465,395	465,395	461,295	4,100
Fringe Benefits	345,970	345,970	342,922	3,048
Purchased Services	27,577	27,577	27,334	243
Total Other Instruction	838,942	838,942	831,551	7,391
Total Instruction	13,567,870	13,567,870	13,448,342	119,528
Support Services:				
Pupils:				
Salaries and Wages	501,882	501,882	497,461	4,421
Fringe Benefits	246,830	246,830	244,657	2,173
Purchased Services	157,990	157,990	156,597	1,393
Supplies and Materials	9,167	9,167	9,086	81
Total Pupils	915,869	915,869	907,801	8,068
Instructional Staff:				
Salaries and Wages	1,046,376	1,046,376	1,037,158	9,218
Fringe Benefits	500,284	500,284	495,877	4,407
Purchased Services	289,180	289,180	286,632	2,548
Supplies and Materials	201,038	201,038	199,267	1,771
Capital Outlay	520,115	520,115	515,533	4,582
Other	2,011	2,011	1,993	18
Total Instructional Staff	2,559,004	2,559,004	2,536,460	22,544

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

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Board of Education:				
Salaries and Wages	18,155	18,155	17,995	160
Fringe Benefits	2,984	2,984	2,958	26
Purchased Services	27,457	27,457	27,215	242
Supplies and Materials	652	652	646	6
Other	77,259	77,259	76,578	681
Total Board of Education	<u>126,507</u>	<u>126,507</u>	<u>125,392</u>	<u>1,115</u>
Administration:				
Salaries and Wages	1,288,068	1,288,068	1,276,721	11,347
Fringe Benefits	457,877	457,877	453,843	4,034
Purchased Services	96,774	96,774	95,921	853
Supplies and Materials	27,252	27,252	27,013	239
Other	16,011	16,011	15,870	141
Total Administration	<u>1,885,982</u>	<u>1,885,982</u>	<u>1,869,368</u>	<u>16,614</u>
Fiscal Services:				
Salaries and Wages	305,166	305,166	302,479	2,687
Fringe Benefits	118,573	118,573	117,528	1,045
Purchased Services	99,727	99,727	98,848	879
Supplies and Materials	2,111	2,111	2,092	19
Other	368,639	368,639	365,391	3,248
Total Fiscal Services	<u>894,216</u>	<u>894,216</u>	<u>886,338</u>	<u>7,878</u>
Business:				
Purchased Services	186,792	186,792	185,146	1,646
Supplies and Materials	95,715	95,715	94,872	843
Total Business	<u>282,507</u>	<u>282,507</u>	<u>280,018</u>	<u>2,489</u>
Operation and Maintenance of Plant Services:				
Salaries and Wages	1,280,611	1,280,611	1,269,329	11,282
Fringe Benefits	590,128	590,128	584,929	5,199
Purchased Services	2,261,520	2,261,520	2,241,596	19,924
Supplies and Materials	337,795	337,795	334,819	2,976
Capital Outlay	79,024	79,024	78,328	696
Other	5,519	5,519	5,470	49
Total Operation and Maintenance of Plant Services	<u>4,554,597</u>	<u>4,554,597</u>	<u>4,514,471</u>	<u>40,126</u>
Pupil Transportation:				
Salaries and Wages	667,374	667,374	661,495	5,879
Fringe Benefits	426,997	426,997	423,235	3,762
Purchased Services	35,934	35,934	35,617	317
Supplies and Materials	169,587	169,587	168,093	1,494
Capital Outlay	448	448	444	4
Other	981	981	972	9
Total Pupil Transportation	<u>1,301,321</u>	<u>1,301,321</u>	<u>1,289,856</u>	<u>11,465</u>
Central:				
Purchased Services	51,688	51,688	51,233	455
Supplies and Materials	936	936	928	8
Capital Outlay	2,665	2,665	2,642	23
Total Central	<u>55,289</u>	<u>55,289</u>	<u>54,803</u>	<u>486</u>
Total Support Services	<u>12,575,292</u>	<u>12,575,292</u>	<u>12,464,507</u>	<u>110,785</u>

Perry Local School District, Lake County

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

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	69,752	69,752	69,138	614
Supplies and Materials	3,197	3,197	3,169	28
Capital Outlay	16,336	16,336	16,192	144
Total Community Services	<u>89,285</u>	<u>89,285</u>	<u>88,499</u>	<u>786</u>
Enterprise Operations:				
Other	217,000	217,000	188,738	28,262
Total Enterprise Operations	<u>217,000</u>	<u>217,000</u>	<u>188,738</u>	<u>28,262</u>
Total Operation of Non-Instructional Services	<u>306,285</u>	<u>306,285</u>	<u>277,237</u>	<u>29,048</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	101,179	101,179	100,289	890
Fringe Benefits	26,587	26,587	26,353	234
Purchased Services	175	175	173	2
Other	595	595	590	5
Total Academic Oriented Activities	<u>128,536</u>	<u>128,536</u>	<u>127,405</u>	<u>1,131</u>
Sport Oriented Activities:				
Salaries and Wages	535,899	535,899	531,178	4,721
Fringe Benefits	162,522	162,522	161,090	1,432
Purchased Services	10,795	10,795	10,700	95
Supplies and Materials	182	182	180	2
Total Sport Oriented Activities	<u>709,398</u>	<u>709,398</u>	<u>703,148</u>	<u>6,250</u>
Co-Curricular Activities:				
Salaries and Wages	17,268	17,268	17,116	152
Fringe Benefits	4,426	4,426	4,387	39
Purchased Services	48,427	48,427	48,000	427
Total Co-Curricular Activities	<u>70,121</u>	<u>70,121</u>	<u>69,503</u>	<u>618</u>
Total Extracurricular Activities	<u>908,055</u>	<u>908,055</u>	<u>900,056</u>	<u>7,999</u>
Capital Outlay:				
Site Improvement Services:				
Capital Outlay	16,636	16,636	16,489	147
Total Site Improvement Services	<u>16,636</u>	<u>16,636</u>	<u>16,489</u>	<u>147</u>
Total Capital Outlay	<u>16,636</u>	<u>16,636</u>	<u>16,489</u>	<u>147</u>
Total Expenditures	<u>27,374,138</u>	<u>27,374,138</u>	<u>27,106,631</u>	<u>267,507</u>
Excess of Revenues Over Expenditures	<u>844,422</u>	<u>844,422</u>	<u>3,204,850</u>	<u>2,360,428</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	2,516	2,516	2,516	-
Transfers Out	(2,540,697)	(2,540,697)	(2,598,697)	(58,000)
Refund of Prior Year's Expenditures	278,924	278,924	278,924	-
Total Other Financing Sources (Uses)	<u>(2,259,257)</u>	<u>(2,259,257)</u>	<u>(2,317,257)</u>	<u>(58,000)</u>
Net Change in Fund Balance	(1,414,835)	(1,414,835)	887,593	2,302,428
Fund Balance Beginning of Year, as Restated	13,530,594	13,530,594	13,530,594	-
Prior Year Encumbrances Appropriated	247,345	247,345	247,345	-
Fund Balance End of Year	<u>\$ 12,363,104</u>	<u>\$ 12,363,104</u>	<u>\$ 14,665,532</u>	<u>\$ 2,302,428</u>

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Earnings on Investments	\$ 404,846	\$ 404,846	\$ -
Miscellaneous	293,364	293,364	-
Total Revenues	698,210	698,210	-
EXPENDITURES			
Current:			
Capital Outlay:			
Site Improvement Services:			
Purchased Services	1,017,441	1,004,946	12,495
Capital Outlay	1,020,276	1,007,747	12,529
Total Site Improvement Services	2,037,717	2,012,693	25,024
Total Capital Outlay	2,037,717	2,012,693	25,024
Debt Service:			
Principal Retirement	187,396	187,396	-
Interest and Fiscal Charges	74,887	74,887	-
Total Debt Service	262,283	262,283	-
Total Expenditures	2,300,000	2,274,976	25,024
Excess of Revenues Over (Under) Expenditures	(1,601,790)	(1,576,766)	25,024
OTHER FINANCING SOURCES (USES)			
Transfer In	301,790	1,850,000	1,548,210
Total Other Financing Sources (Uses)	301,790	1,850,000	1,548,210
Net Change in Fund Balance	(1,300,000)	273,234	1,573,234
Fund Balance Beginning of Year	11,298,958	11,298,958	-
Prior Year Encumbrances Appropriated	1,010,061	1,010,061	-
Fund Balance End of Year	\$ 11,009,019	\$ 12,582,253	\$ 1,573,234

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Food Services Fund
For the Fiscal Year Ended June 30, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 139,838	\$ 136,034	\$ (3,804)
Food Services	683,104	664,523	(18,581)
Total Revenues	<u>822,942</u>	<u>800,557</u>	<u>(22,385)</u>
EXPENDITURES			
Current:			
Operation of Non-Instructional Services:			
Food Services:			
Salaries and Wages	247,178	237,909	9,269
Fringe Benefits	200,914	193,380	7,534
Purchased Services	4,364	4,200	164
Supplies and Materials	522,098	502,521	19,577
Other	446	429	17
Total Food Services	<u>975,000</u>	<u>938,439</u>	<u>36,561</u>
Total Operation of Non-Instructional Services	<u>975,000</u>	<u>938,439</u>	<u>36,561</u>
Total Expenditures	<u>975,000</u>	<u>938,439</u>	<u>36,561</u>
Excess of Revenues Over (Under) Expenditures	<u>(152,058)</u>	<u>(137,882)</u>	<u>14,176</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>143,500</u>	<u>143,500</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>143,500</u>	<u>143,500</u>	<u>-</u>
Net Change in Fund Balance	(8,558)	5,618	14,176
Fund Balance Beginning of Year	8,558	8,558	-
Prior Year Encumbrances Appropriated	<u>10,465</u>	<u>10,465</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 10,465</u>	<u>\$ 24,641</u>	<u>\$ 14,176</u>

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Extracurricular Activities	\$ 10,976	\$ 6,927	\$ (4,049)
Classroom Materials and Fees	826	521	(305)
Miscellaneous	198	125	(73)
Total Revenues	12,000	7,573	(4,427)
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction:			
Supplies and Materials	17,700	5,786	11,914
Total Regular Instruction	17,700	5,786	11,914
Total Instruction	17,700	5,786	11,914
Total Expenditures	17,700	5,786	11,914
Net Change in Fund Balance	(5,700)	1,787	7,487
Fund Balance Beginning of Year	14,616	14,616	-
Fund Balance End of Year	\$ 8,916	\$ 16,403	\$ 7,487

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Special Rotary Fund
For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Extracurricular Activities	\$ 68,548	\$ 92,487	\$ 23,939
Miscellaneous	356	481	125
Total Revenues	68,904	92,968	24,064
EXPENDITURES			
Current:			
Support Services:			
Pupil:			
Purchased Services	13,341	12,665	676
Other	345	328	17
Total Pupil	13,686	12,993	693
Total Support Services	13,686	12,993	693
Extracurricular Activities:			
Co-Curricular:			
Purchased Services	38,102	36,173	1,929
Supplies and Materials	9,106	8,645	461
Other	19,206	18,233	973
Total Co-Curricular	66,414	63,051	3,363
Total Extracurricular Activities	66,414	63,051	3,363
Total Expenditures	80,100	76,044	4,056
Net Change in Fund Balance	(11,196)	16,924	28,120
Fund Balance Beginning of Year	11,196	11,196	-
Prior Year Encumbrances Appropriated	2,052	2,052	-
Fund Balance End of Year	\$ 2,052	\$ 30,172	\$ 28,120

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Extracurricular Activities	\$ 50,005	\$ 32,292	\$ (17,713)
Classroom Materials and Fees	25,049	16,176	(8,873)
Miscellaneous	9,841	6,355	(3,486)
Total Revenues	84,895	54,823	(30,072)
EXPENDITURES			
Current:			
Extracurricular Activities:			
Co-Curricular:			
Purchased Services	7,898	4,297	3,601
Supplies and Materials	77,925	42,403	35,522
Other	36,677	19,958	16,719
Total Co-Curricular	122,500	66,658	55,842
Total Extracurricular Activities	122,500	66,658	55,842
Total Expenditures	122,500	66,658	55,842
Excess of Revenues Over (Under) Expenditures	(37,605)	(11,835)	25,770
OTHER FINANCING SOURCES (USES)			
Refund of Prior Year's Expenditures	105	105	-
Total Other Financing Sources (Uses)	105	105	-
Net Change in Fund Balance	(37,500)	(11,730)	25,770
Fund Balance Beginning of Year	72,694	72,694	-
Prior Year Encumbrances Appropriated	1,557	1,557	-
Fund Balance End of Year	\$ 36,751	\$ 62,521	\$ 25,770

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Miscellaneous	\$ 1,500	\$ 2,000	\$ 500
Total Revenues	<u>1,500</u>	<u>2,000</u>	<u>500</u>
 EXPENDITURES			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Other	2,500	2,000	500
Total Community Services	<u>2,500</u>	<u>2,000</u>	<u>500</u>
Total Operation of Non-Instructional Services:	<u>2,500</u>	<u>2,000</u>	<u>500</u>
Total Expenditures	<u>2,500</u>	<u>2,000</u>	<u>500</u>
Net Change in Fund Balance	(1,000)	-	1,000
 Fund Balance Beginning of Year	1,394	1,394	-
Fund Balance End of Year	<u>\$ 394</u>	<u>\$ 1,394</u>	<u>\$ 1,000</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Special Enterprise Fund
For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for Services	101,310	101,310	-
Miscellaneous	\$ 13,820	\$ 19,829	\$ 6,009
Total Revenues	115,130	121,139	6,009
 EXPENDITURES			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	120,160	97,683	22,477
Supplies and Materials	2,365	1,923	442
Capital Outlay	1,237	1,006	231
Other	3,543	2,880	663
Total Community Services	127,305	103,492	23,813
Enterprise Operations:			
Salaries and Wages	695	565	130
Total Enterprise Operations	695	565	130
Total Operation of Non-Instructional Services:	128,000	104,057	23,943
Total Expenditures	128,000	104,057	23,943
Net Change in Fund Balance	(12,870)	17,082	29,952
 Fund Balance Beginning of Year	12,870	12,870	-
Prior Year Encumbrances Appropriated	750	750	-
Fund Balance End of Year	\$ 750	\$ 30,702	\$ 29,952

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Termination Benefits Fund
For the Fiscal Year Ended June 30, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction:		-	-
Fringe Benefits	600,000	-	600,000
Total Regular Instruction	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Total Instruction	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Total Expenditures	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Excess of Revenues Over (Under) Expenses	<u>(600,000)</u>	<u>-</u>	<u>600,000</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	400,000	362,555	(37,445)
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>362,555</u>	<u>(37,445)</u>
Net Change in Fund Balance	(200,000)	362,555	562,555
Fund Balance Beginning of Year	416,116	416,116	-
Fund Balance End of Year	<u>\$ 216,116</u>	<u>\$ 778,671</u>	<u>\$ 562,555</u>

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Extracurricular Activities	\$ 258,692	\$ 168,232	\$ (90,460)
Miscellaneous	91,208	59,314	(31,894)
Total Revenues	349,900	227,546	(122,354)
EXPENDITURES			
Current:			
Extracurricular Activities:			
Academic-Subject Oriented Activities:			
Purchased Services	4,533	4,074	459
Supplies and Materials	4,739	4,259	480
Other	6,329	5,688	641
Total Academic-Subject Oriented Activities	15,601	14,021	1,580
Sport Oriented Activities:			
Salaries and Wages	13,079	11,755	1,324
Fringe Benefits	3,041	2,733	308
Purchased Services	124,103	111,537	12,566
Supplies and Materials	114,355	102,775	11,580
Capital Outlay	9,116	8,193	923
Other	30,705	27,596	3,109
Total Sport Oriented Activities	294,399	264,589	29,810
Total Extracurricular Activities	310,000	278,610	31,390
Total Expenditures	310,000	278,610	31,390
Excess of Revenues Over (Under) Expenditures	39,900	(51,064)	(90,964)
OTHER FINANCING SOURCES (USES)			
Transfer In	75,100	75,100	-
Total Other Financing Sources (Uses)	75,100	75,100	-
Net Change in Fund Balance	115,000	24,036	(90,964)
Fund Balance Beginning of Year	8,210	8,210	-
Prior Year Encumbrances Appropriated	5,496	5,496	-
Fund Balance End of Year	\$ 128,706	\$ 37,742	\$ (90,964)

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 6,500	\$ 6,680	\$ 180
Total Revenues	6,500	6,680	180
 EXPENDITURES			
Current:			
Support Services:			
Central:			
Purchased Services	4,304	-	4,304
Total Central	4,304	-	4,304
Total Support Services	4,304	-	4,304
Total Expenditures	4,304	-	4,304
Net Change in Fund Balance	2,196	6,680	4,484
 Fund Balance Beginning of Year	165	165	-
Fund Balance End of Year	\$ 2,361	\$ 6,845	\$ 4,484

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Entry Year Teachers Fund
For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 4,500	\$ 3,150	\$ (1,350)
Total Revenues	4,500	3,150	(1,350)
 EXPENDITURES			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	5,850	-	5,850
Total Regular Instruction	5,850	-	5,850
Total Instruction	5,850	-	5,850
Total Expenditures	5,850	-	5,850
Net Change in Fund Balance	(1,350)	3,150	4,500
 Fund Balance Beginning of Year	2,700	2,700	-
Fund Balance End of Year	\$ 1,350	\$ 5,850	\$ 4,500

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 9,001	\$ 9,000	\$ (1)
Total Revenues	<u>9,001</u>	<u>9,000</u>	<u>(1)</u>
 EXPENDITURES			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	9,149	-	9,149
Total Instructional Staff	<u>9,149</u>	<u>-</u>	<u>9,149</u>
Total Support Services	<u>9,149</u>	<u>-</u>	<u>9,149</u>
Total Expenditures	<u>9,149</u>	<u>-</u>	<u>9,149</u>
Net Change in Fund Balance	(148)	9,000	9,148
 Fund Balance Beginning of Year	148	148	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ 9,148</u>	<u>\$ 9,148</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - School Net Professional Development Fund
For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 2,970	\$ 2,970	\$ -
Total Revenues	2,970	2,970	-
EXPENDITURES			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	7,341	-	7,341
Total Instructional Staff	7,341	-	7,341
Total Support Services	7,341	-	7,341
Total Expenditures	7,341	-	7,341
Net Change in Fund Balance	(4,371)	2,970	7,341
Fund Balance Beginning of Year	4,371	4,371	-
Fund Balance End of Year	\$ -	\$ 7,341	\$ 7,341

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 2,543	\$ -	\$ (2,543)
Total Revenues	<u>2,543</u>	<u>-</u>	<u>(2,543)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	2,543	-	2,543
Total Regular Instruction	<u>2,543</u>	<u>-</u>	<u>2,543</u>
Total Instruction	<u>2,543</u>	<u>-</u>	<u>2,543</u>
Total Expenditures	<u>2,543</u>	<u>-</u>	<u>2,543</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	2,542	2,542	-
Total Other Financing Sources (Uses)	<u>2,542</u>	<u>2,542</u>	<u>-</u>
Net Change in Fund Balance	2,542	2,542	-
Fund Balance Beginning of Year	(2,542)	(2,542)	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Summer School Intervention Fund
For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 5,600	\$ -	\$ (5,600)
Total Revenues	5,600	-	(5,600)
 EXPENDITURES			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	15,493	-	15,493
Total Regular Instruction	15,493	-	15,493
Total Instruction	15,493	-	15,493
Total Expenditures	15,493	-	15,493
Net Change in Fund Balance	(9,893)	-	9,893
 Fund Balance Beginning of Year	15,493	15,493	-
Fund Balance End of Year	\$ 5,600	\$ 15,493	\$ 9,893

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 28,904	\$ 28,904	\$ -
Total Revenues	<u>28,904</u>	<u>28,904</u>	<u>-</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular Instruction:			
Supplies and Materials	30,625	2,895	27,730
Total Regular Instruction	<u>30,625</u>	<u>2,895</u>	<u>27,730</u>
Total Instruction	<u>30,625</u>	<u>2,895</u>	<u>27,730</u>
Total Expenditures	<u>30,625</u>	<u>2,895</u>	<u>27,730</u>
Net Change in Fund Balance	(1,721)	26,009	27,730
 Fund Balance Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	1,721	1,721	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ 27,730</u>	<u>\$ 27,730</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - IDEA, Part B Special Education,
Education of Handicapped Children Fund
For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 336,371	\$ 300,270	\$ (36,101)
Total Revenues	336,371	300,270	(36,101)
EXPENDITURES			
Current:			
Instruction:			
Special Instruction:			
Salaries and Wages	50,748	44,286	6,462
Fringe Benefits	40,964	35,748	5,216
Purchased Services	229,868	200,595	29,273
Total Special Instruction	321,580	280,629	40,951
Total Instruction	321,580	280,629	40,951
Support Services:			
Pupils:			
Purchased Services	22,952	20,029	2,923
Total Pupils	22,952	20,029	2,923
Total Support Services	22,952	20,029	2,923
Total Expenditures	344,532	300,658	43,874
Net Change in Fund Balance	(8,161)	(388)	7,773
 Fund Balance Beginning of Year	8,161	8,161	-
Fund Balance End of Year	\$ -	\$ 7,773	\$ 7,773

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Title III - Limited English Proficiency Fund
For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction:			
Purchased Services	792	-	792
Total Regular Instruction	792	-	792
Total Instruction	792	-	792
Total Expenditures	792	-	792
Net Change in Fund Balance	(792)	-	792
Fund Balance Beginning of Year	792	792	-
Fund Balance End of Year	\$ -	\$ 792	\$ 792

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Title I - Disadvantaged Children/
Targeted Assistance Fund
For the Fiscal Year Ended June 30, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 54,584	\$ 54,584	\$ -
Total Revenues	<u>54,584</u>	<u>54,584</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	54,584	51,855	2,729
Total Regular Instruction	<u>54,584</u>	<u>51,855</u>	<u>2,729</u>
Total Instruction	<u>54,584</u>	<u>51,855</u>	<u>2,729</u>
Total Expenditures	<u>54,584</u>	<u>51,855</u>	<u>2,729</u>
Net Change in Fund Balance	-	2,729	2,729
Fund Balance Beginning of Year	-	-	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ 2,729</u>	<u>\$ 2,729</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - Title V - Innovative Education Programs Fund
For the Fiscal Year Ended June 30, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 2,494	\$ 2,494	\$ -
Total Revenues	<u>2,494</u>	<u>2,494</u>	<u>-</u>
EXPENDITURES			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	2,494	2,482	12
Total Instructional Staff	<u>2,494</u>	<u>2,482</u>	<u>12</u>
Total Support Services	<u>2,494</u>	<u>2,482</u>	<u>12</u>
Total Expenditures	<u>2,494</u>	<u>2,482</u>	<u>12</u>
Net Change in Fund Balance	-	12	12
Fund Balance Beginning of Year	-	-	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 12</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 4,125	\$ 4,125	\$ -
Total Revenues	<u>4,125</u>	<u>4,125</u>	<u>-</u>
EXPENDITURES			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	4,125	4,125	-
Total Instructional Staff	<u>4,125</u>	<u>4,125</u>	<u>-</u>
Total Support Services	<u>4,125</u>	<u>4,125</u>	<u>-</u>
Total Expenditures	<u>4,125</u>	<u>4,125</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance Beginning of Year	2,654	2,654	-
Fund Balance End of Year	<u>\$ 2,654</u>	<u>\$ 2,654</u>	<u>\$ -</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - IDEA Preschool Grant for the
Handicapped Fund
For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 13,180	\$ 13,180	\$ -
Total Revenues	13,180	13,180	-
EXPENDITURES			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	14,230	13,180	1,050
Total Instructional Staff	14,230	13,180	1,050
Total Support Services	14,230	13,180	1,050
Total Expenditures	14,230	13,180	1,050
Net Change in Fund Balance	(1,050)	-	1,050
Fund Balance Beginning of Year	1,050	1,050	-
Fund Balance End of Year	\$ -	\$ 1,050	\$ 1,050

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 36,531	\$ 28,680	\$ (7,851)
Total Revenues	<u>36,531</u>	<u>28,680</u>	<u>(7,851)</u>
EXPENDITURES			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	36,531	28,680	7,851
Total Instructional Staff	<u>36,531</u>	<u>28,680</u>	<u>7,851</u>
Total Support Services	<u>36,531</u>	<u>28,680</u>	<u>7,851</u>
Total Expenditures	<u>36,531</u>	<u>28,680</u>	<u>7,851</u>
Net Change in Fund Balance	-	-	-
Fund Balance Beginning of Year	-	-	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 564	\$ 248	\$ (316)
Total Revenues	564	248	(316)
 EXPENDITURES			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	564	248	316
Total Instructional Staff	564	248	316
Total Support Services	564	248	316
Total Expenditures	564	248	316
Net Change in Fund Balance	-	-	-
 Fund Balance Beginning of Year	-	-	-
Fund Balance End of Year	\$ -	\$ -	\$ -

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 12,079	\$ 12,218	\$ 139
Total Revenues	<u>12,079</u>	<u>12,218</u>	<u>139</u>
EXPENDITURES			
Current:			
Support Services:			
Instructional Staff:			
Capital Outlay	12,218	-	12,218
Total Instructional Staff	<u>12,218</u>	<u>-</u>	<u>12,218</u>
Total Support Services	<u>12,218</u>	<u>-</u>	<u>12,218</u>
Total Expenditures	<u>12,218</u>	<u>-</u>	<u>12,218</u>
Net Change in Fund Balance	(139)	12,218	12,357
Fund Balance Beginning of Year	139	139	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ 12,357</u>	<u>\$ 12,357</u>

STATISTICAL SECTION



Jacob - Grade 5



Samantha - Grade 8



Nikki - Grade 6

Perry Local School District, Lake County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

Statistical Section

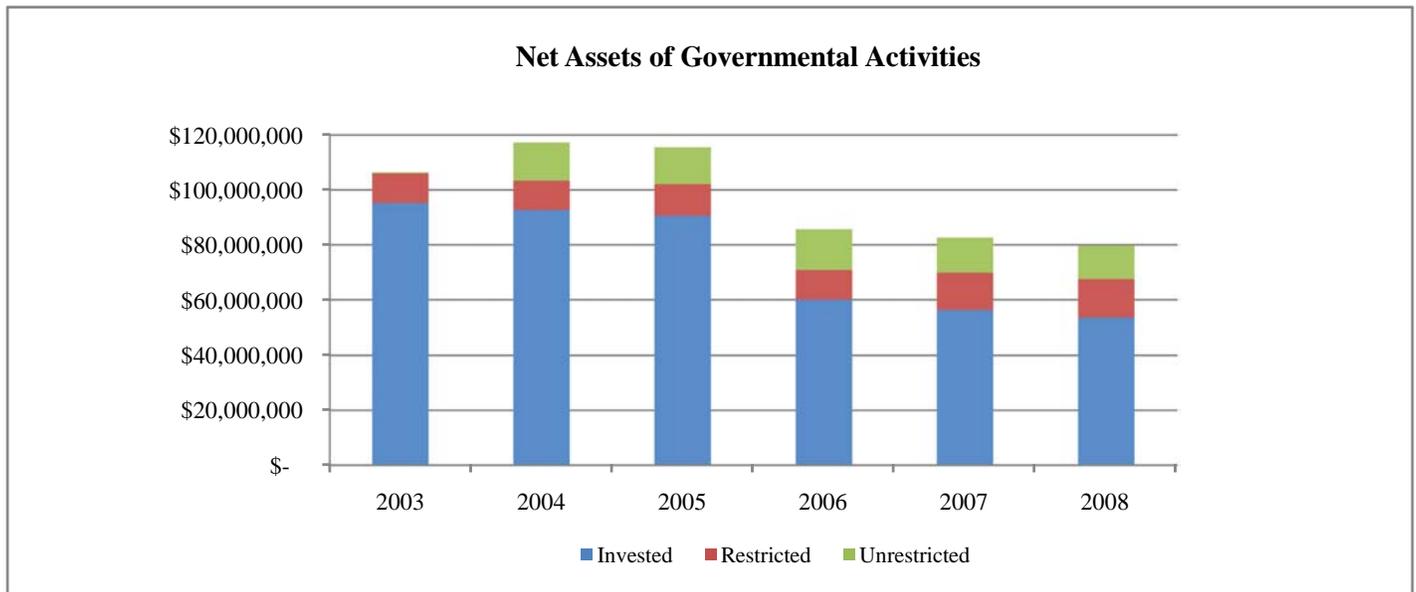
This part of Perry Local School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position and well-being have changed over time.	100-109
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, the property tax.	110-119
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	120-123
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	124
Operating Information 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.	125-135

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 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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

	2003	2004	2005	2006	2007	2008
Governmental Activities:						
Invested in Capital Assets, Net of Related Debt	\$ 95,212,336	\$ 92,675,980	\$ 90,546,942	\$ 59,992,836	\$ 56,511,384	\$ 53,751,215
Restricted for:						
Capital Projects	8,656,228	8,609,909	8,910,360	9,947,444	11,359,392	12,825,042
Other Purposes	2,159,607	2,061,406	2,628,809	892,313	2,032,605	963,076
Unrestricted	405,558	13,917,922	13,420,556	14,872,035	12,758,157	12,143,089
Total Governmental Activities Net Assets	<u>\$106,433,729</u>	<u>\$117,265,217</u>	<u>\$115,506,667</u>	<u>\$85,704,628</u>	<u>\$82,661,538</u>	<u>\$79,682,422</u>



Perry Local School District, Lake County

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

	2003	2004	2005	2006	2007	2008
Expenses						
<u>Governmental Activities:</u>						
Instruction:						
Regular	\$14,175,032	\$13,077,553	\$12,230,592	\$15,325,095	\$15,184,441	\$15,294,055
Special	1,269,402	1,124,743	1,090,125	821,449	1,457,668	1,428,200
Vocational	114,383	115,592	98,570	116,040	114,297	121,250
Other	69,240	37,796	32,197	785,313	923,679	916,119
Support Services:						
Pupils	950,288	1,081,468	742,116	878,232	1,308,572	1,025,569
Instructional Staff	2,339,328	2,837,881	3,121,059	2,349,787	2,477,950	2,506,310
Board of Education	152,511	147,150	157,757	139,355	100,833	125,627
Administration	2,629,941	2,242,357	2,416,152	1,585,349	1,916,794	1,905,194
Fiscal Services	610,539	965,298	1,010,287	690,717	944,895	974,311
Business	46,852	33,432	40,684	29,094	39,441	278,977
Operation and Maintenance of Plant Services	3,559,262	4,732,211	4,601,421	4,515,919	5,713,758	4,527,545
Pupil Transportation	1,901,163	1,726,655	1,640,910	1,718,572	1,557,654	1,361,969
Central	36,117	98,440	189,676	205,084	48,985	50,928
Operation of Non-Instructional Services:						
Food Service Operations	577,810	375,570	264,973	458,537	269,861	995,261
Other	363,411	1,434,705	2,167,803	288,604	188,690	424,243
Extracurricular Activities	1,381,559	1,301,345	1,342,991	1,519,311	1,922,761	1,457,243
Interest and Fiscal Charges	-	-	-	-	81,952	90,102
<i>Total Governmental Activities Expenses</i>	<u>30,176,838</u>	<u>31,332,196</u>	<u>31,147,313</u>	<u>31,426,458</u>	<u>34,252,231</u>	<u>33,482,903</u>

(continued)

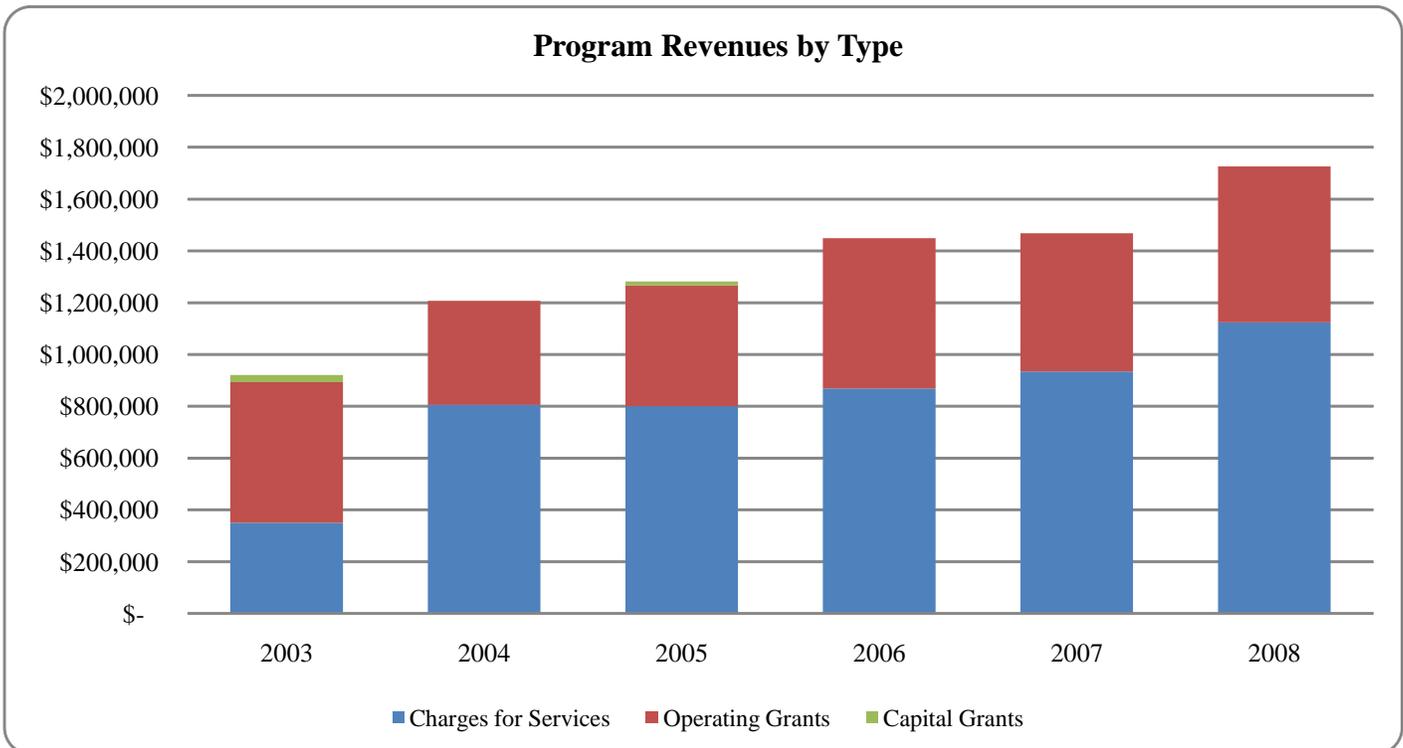
Perry Local School District, Lake County

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

	2003	2004	2005	2006	2007	2008
Program Revenues						
<u>Governmental Activities:</u>						
Charges for Services:						
Regular Instruction	10,380	-	-	-	-	-
Pupil Transportation	27,769	-	-	-	-	-
Operation of Food Service	311,853	485,823	463,931	516,379	602,693	706,296
Other	-	49,475	84,262	99,282	77,912	108,758
Extracurricular Activities	-	270,029	252,128	271,157	253,558	308,698
Operating Grants and Contributions:						
Regular Instruction	-	49,006	44,125	43,589	35,282	62,103
Special Instruction	55,286	58,946	55,041	54,492	48,541	300,270
Pupil Support	110,550	130,066	201,238	347,178	293,502	5,095
Staff Support	-	1,572	1,457	991	-	79,595
Administration	10,696	-	-	-	-	10,000
Pupil Transportation	-	-	-	-	-	9,440
Operation of Food Service	143,454	93,897	96,985	3,091	2,402	136,034
Operation of Maintenance of Plant Services	6,669	5,100	5,244	8,143	15,637	-
Extracurricular Activities	216,438	63,366	61,475	122,380	138,276	-
Capital Grants and Contributions:						
Pupil Transportation	27,562	-	16,905	-	-	-
<i>Total Governmental Activities- Program Revenues</i>	<u>920,657</u>	<u>1,207,280</u>	<u>1,282,791</u>	<u>1,466,682</u>	<u>1,467,803</u>	<u>1,726,289</u>
Net (Expense)/Revenue						
Governmental Activities	<u>(29,256,181)</u>	<u>(30,124,916)</u>	<u>(29,864,522)</u>	<u>(29,959,776)</u>	<u>(32,784,428)</u>	<u>(31,756,614)</u>
General Revenues and Other Changes in Net Assets						
<u>Governmental Activities:</u>						
Property Taxes Levied for:						
General Purposes	12,445,857	27,110,348	15,151,250	15,324,587	15,046,416	14,965,281
Grants and Entitlements not Restricted to Specific Programs	11,952,691	11,857,910	11,826,865	11,682,411	11,937,105	12,052,117
Investment Earnings	436,900	212,009	806,475	848,737	1,402,315	1,249,528
Gain on Sale of Assets	11,779	-	-	-	-	-
Miscellaneous	1,125,593	1,776,137	321,382	325,611	365,960	510,572
Transfers	(35,175)	-	-	-	-	-
<i>Total Governmental Activities</i>	<u>25,937,645</u>	<u>40,956,404</u>	<u>28,105,972</u>	<u>28,181,346</u>	<u>28,751,796</u>	<u>28,777,498</u>
Change in Net Assets						
Governmental Activities	<u>\$(3,318,536)</u>	<u>\$ 10,831,488</u>	<u>\$(1,758,550)</u>	<u>\$(1,778,430)</u>	<u>\$(4,032,632)</u>	<u>\$(2,979,116)</u>

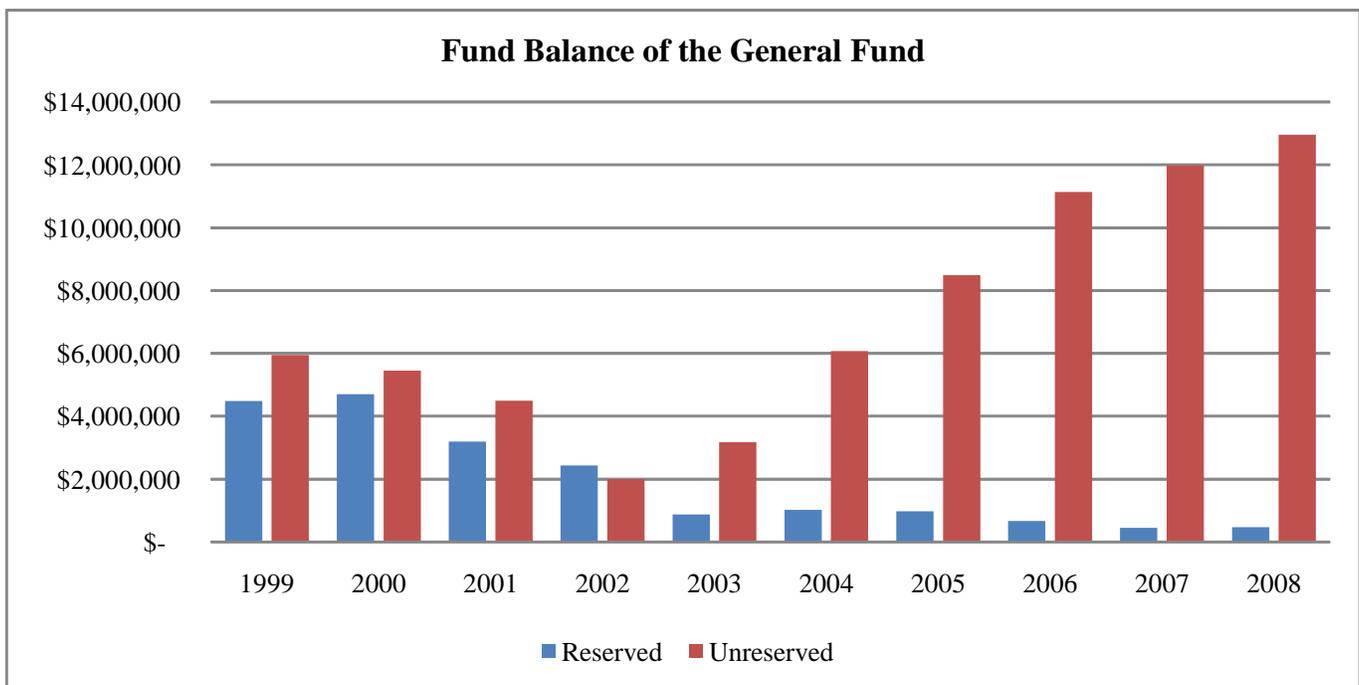
Program Revenues of Governmental Activities by Function
Last Six Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
Governmental Activities						
Instruction:						
Regular	\$ 10,380	\$ 49,006	\$ 44,125	\$ 43,589	\$ 35,282	\$ 62,103
Special	55,286	58,946	55,041	54,492	48,541	300,270
Support Services:						
Pupils	110,550	130,066	201,238	347,178	293,502	5,095
Instructional Staff	-	1,572	1,457	991	-	79,595
Administration	10,696	-	-	-	-	10,000
Business	-	-	-	-	-	-
Operation and Maintenance of Plant Services	6,669	5,100	5,244	8,143	15,637	-
Pupil Transportation	55,331	-	16,905	-	-	9,440
Operation of Non-Instructional Services:						
Operation of Food Service	455,307	579,720	560,916	519,470	605,095	842,330
Other	-	49,475	84,262	99,282	77,912	108,758
Extracurricular Activities	216,438	333,395	313,603	393,537	391,834	308,698
Total Program Revenues	\$920,657	\$1,207,280	\$1,282,791	\$1,466,682	\$1,467,803	\$1,726,289



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

	1999	2000	2001	2002	2003
General Fund					
Reserved	\$4,480,675	\$4,700,629	\$3,195,605	\$2,436,179	\$876,616
Unreserved	5,951,659	5,451,073	4,491,135	1,999,779	3,175,690
<i>Total General Fund</i>	<u>10,432,334</u>	<u>10,151,702</u>	<u>7,686,740</u>	<u>4,435,958</u>	<u>4,052,306</u>
All Other Governmental Funds					
Reserved	98,852	79,048	105,705	16,198	485,944
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	416,584	819,366	1,174,991	1,220,576	1,203,008
Debt Service Funds	-	1,223	1,398	-	-
Capital Projects Funds	5,374,482	6,718,412	8,224,326	8,560,992	8,656,228
Total All Other Governmental Funds	<u>5,889,918</u>	<u>7,618,049</u>	<u>9,506,420</u>	<u>9,797,766</u>	<u>10,345,180</u>
<i>Total Governmental Funds</i>	<u><u>\$16,322,252</u></u>	<u><u>\$17,769,751</u></u>	<u><u>\$17,193,160</u></u>	<u><u>\$14,233,724</u></u>	<u><u>\$14,397,486</u></u>



Perry Local School District, Lake County

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$1,016,895	\$975,084	\$663,620	\$450,223	\$464,813
<u>6,074,494</u>	<u>8,484,998</u>	<u>11,142,872</u>	<u>11,979,169</u>	<u>12,958,071</u>
<u>7,091,389</u>	<u>9,460,082</u>	<u>11,806,492</u>	<u>12,429,392</u>	<u>13,422,884</u>
234,730	49,173	1,979,202	638,136	95,940
1,196,380	1,069,639	569,147	441,381	976,868
-	-	-	-	-
<u>8,428,372</u>	<u>8,878,110</u>	<u>9,888,935</u>	<u>11,359,392</u>	<u>12,689,452</u>
<u>9,859,482</u>	<u>9,996,922</u>	<u>12,437,284</u>	<u>12,438,909</u>	<u>13,762,260</u>
<u><u>\$16,950,871</u></u>	<u><u>\$19,457,004</u></u>	<u><u>\$24,243,776</u></u>	<u><u>\$24,868,301</u></u>	<u><u>\$27,185,144</u></u>

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

	1999	2000	2001	2002	2003
Revenues					
Taxes	\$26,425,435	\$24,181,079	\$23,116,377	\$17,166,513	\$12,445,857
Intergovernmental	-	-	-	-	12,236,648
Interest	1,015,543	1,102,804	1,381,433	728,956	436,900
Tuition and Fees	-	-	-	-	66,813
Transportation Fees	20,960	25,931	14,683	28,977	-
Extracurricular Activities	291,485	270,727	215,562	255,400	216,438
Charges for Services	-	-	-	-	453,483
Food Services	-	-	-	-	-
Classroom Materials and Fees	3,439	4,382	4,975	5,936	-
Unrestricted Grants-in-Aid	1,372,949	1,412,058	1,465,516	6,574,747	-
Restricted Grants-in-Aid	532,724	569,641	454,378	266,635	-
Miscellaneous	111,419	210,752	220,148	212,954	1,126,136
<i>Total Revenues</i>	<u>29,773,954</u>	<u>27,777,374</u>	<u>26,873,072</u>	<u>25,240,118</u>	<u>26,982,275</u>
Expenditures					
Current:					
Instruction:					
Regular	11,101,265	11,478,769	11,465,646	11,841,767	11,048,190
Special	658,420	822,379	972,607	1,035,170	1,208,518
Vocational	152,995	146,928	159,750	-	111,581
Other	-	-	-	157,262	23,805
Support Services:					
Pupil	911,427	1,015,302	914,588	1,112,736	908,440
Instructional Staff	1,973,037	2,586,555	2,896,310	2,908,952	2,144,084
Board of Education	173,338	138,869	143,485	194,849	108,040
Administration	1,519,940	1,873,436	2,080,642	2,454,008	2,549,248
Fiscal Services	644,590	570,676	657,190	634,082	609,225
Business	52,189	48,924	59,434	51,242	45,909
Operation and Maintenance					
of Plant Services	3,160,091	3,638,128	4,371,141	4,298,574	3,808,039
Pupil Transportation	1,751,319	1,749,796	1,981,280	1,967,017	1,808,567
Central	90,284	134,186	131,424	132,078	41,560
Operation of Non-Instructional Services:					
Food Services Operations	-	-	-	-	924,381
Community Services	43,567	61,470	84,218	50,066	-
Other	-	-	-	-	154,440
Extracurricular Activities	1,282,997	1,087,097	1,141,188	1,329,410	1,077,129
Capital Outlay	2,157,215	1,337,963	599,655	275,949	96,212

(continued)

Perry Local School District, Lake County

2004	2005	2006	2007	2008
\$16,560,396	\$17,355,962	\$17,807,067	\$17,547,414	\$17,400,098
12,286,897	12,345,946	12,248,973	12,489,225	12,647,424
212,009	806,475	848,737	1,402,315	1,249,528
49,475	84,263	99,281	77,912	44,066
-	-	-	-	21,035
270,029	252,128	271,157	253,558	299,946
485,823	463,931	516,379	602,693	101,310
-	-	-	-	657,214
-	-	-	-	16,395
-	-	-	-	-
-	-	-	-	-
882,010	806,862	421,489	537,102	448,467
<u>30,746,639</u>	<u>32,115,567</u>	<u>32,213,083</u>	<u>32,910,219</u>	<u>32,885,483</u>

10,987,013	11,221,408	11,928,011	12,037,677	11,260,700
1,154,364	1,179,131	829,328	1,499,703	1,478,133
116,348	110,527	115,937	108,223	108,115
93,347	39,230	785,313	867,981	760,547

1,110,410	926,847	860,994	1,158,210	984,687
2,730,084	3,074,742	2,406,939	2,545,006	2,499,901
147,150	157,757	139,355	100,833	125,543
2,253,431	2,458,805	1,669,702	1,954,373	1,830,378
959,051	1,006,609	775,340	944,592	947,270
32,489	39,741	29,094	39,741	278,348

3,838,174	3,935,458	4,591,199	4,381,060	4,459,596
1,605,915	1,647,709	1,624,819	1,579,401	1,272,936
94,401	187,096	191,145	56,059	50,928

1,020,241	893,120	406,998	1,202,080	989,954
-	-	-	-	188,326
374,251	130,107	239,986	12,766	235,917
1,086,579	1,294,516	1,397,808	1,215,304	1,289,702
590,006	1,306,631	1,228,656	2,320,402	1,571,292

(continued)

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Expenditures (continued)					
Debt Service:					
Principal Retirement	2,015,000	15,000	15,000	-	-
Interest and Fiscal Charges	76,747	1,547	341	-	-
<i>Total Expenditures</i>	<u>27,764,421</u>	<u>26,707,025</u>	<u>27,673,899</u>	<u>28,443,162</u>	<u>26,667,368</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,009,533</u>	<u>1,070,349</u>	<u>(800,827)</u>	<u>(3,203,044)</u>	<u>314,907</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	23,682	10,776	20,227	138,984	11,779
Proceeds from Sale of Debt	-	-	-	-	-
Inception of Capital Lease	-	-	-	-	-
Refund of Prior Year Expenditures	469,409	503,885	441,540	413,611	-
Refund of Prior Year Receipts	(34,837)	-	-	(2,489)	-
Transfers In	3,390,306	1,575,270	1,485,200	118,098	304,150
Transfers Out	(3,604,308)	(1,717,370)	(1,730,200)	(412,398)	(504,325)
<i>Total Other Financing Sources (Uses)</i>	<u>244,252</u>	<u>372,561</u>	<u>216,767</u>	<u>255,806</u>	<u>(188,396)</u>
<i>Net Change in Fund Balances</i>	<u>\$2,253,785</u>	<u>\$1,442,910</u>	<u>(\$584,060)</u>	<u>(\$2,947,238)</u>	<u>\$126,511</u>
Debt Service as a Percentage of Noncapital Expenditures	8.17%	0.07%	0.06%	0.00%	0.00%

Perry Local School District, Lake County

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
-	-	-	180,331	187,396
-	-	-	81,952	74,887
<u>28,193,254</u>	<u>29,609,434</u>	<u>29,220,624</u>	<u>32,285,694</u>	<u>30,594,556</u>
<u>2,553,385</u>	<u>2,506,133</u>	<u>2,992,459</u>	<u>624,525</u>	<u>2,290,927</u>
-	-	-	-	2,516
-	-	2,156,818	-	-
-	-	-	-	188,400
-	-	-	-	-
-	-	-	-	-
513,454	1,570,061	2,305,000	3,285,960	2,433,697
(513,454)	(1,570,061)	(2,305,000)	(3,285,960)	(2,598,697)
-	-	2,156,818	-	25,916
<u>\$2,553,385</u>	<u>\$2,506,133</u>	<u>\$5,149,277</u>	<u>\$624,525</u>	<u>\$2,316,843</u>
0.00%	0.00%	0.00%	0.88%	0.90%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU	Actual Value	Assessed Value	Estimated Actual Value
1999	\$110,122,560	\$144,156,050	\$726,510,314	\$405,277,130	\$460,542,193
2000	113,620,000	144,948,830	738,768,086	402,131,630	\$456,967,761
2001	129,998,990	126,460,740	732,742,086	335,577,300	\$381,337,841
2002	132,874,290	129,570,020	749,840,886	151,204,940	\$171,823,795
2003	136,300,080	129,986,080	760,817,600	210,365,000	\$239,051,136
2004	165,446,320	85,007,160	715,581,371	177,833,610	\$202,083,648
2005	171,498,000	83,717,980	729,188,514	195,577,990	\$222,247,716
2006	177,586,570	83,765,960	746,721,514	174,218,170	\$197,975,193
2007	203,647,280	89,561,620	837,739,714	163,837,760	\$186,179,273
2008	207,911,800	90,901,040	853,750,971	152,113,140	\$172,855,841

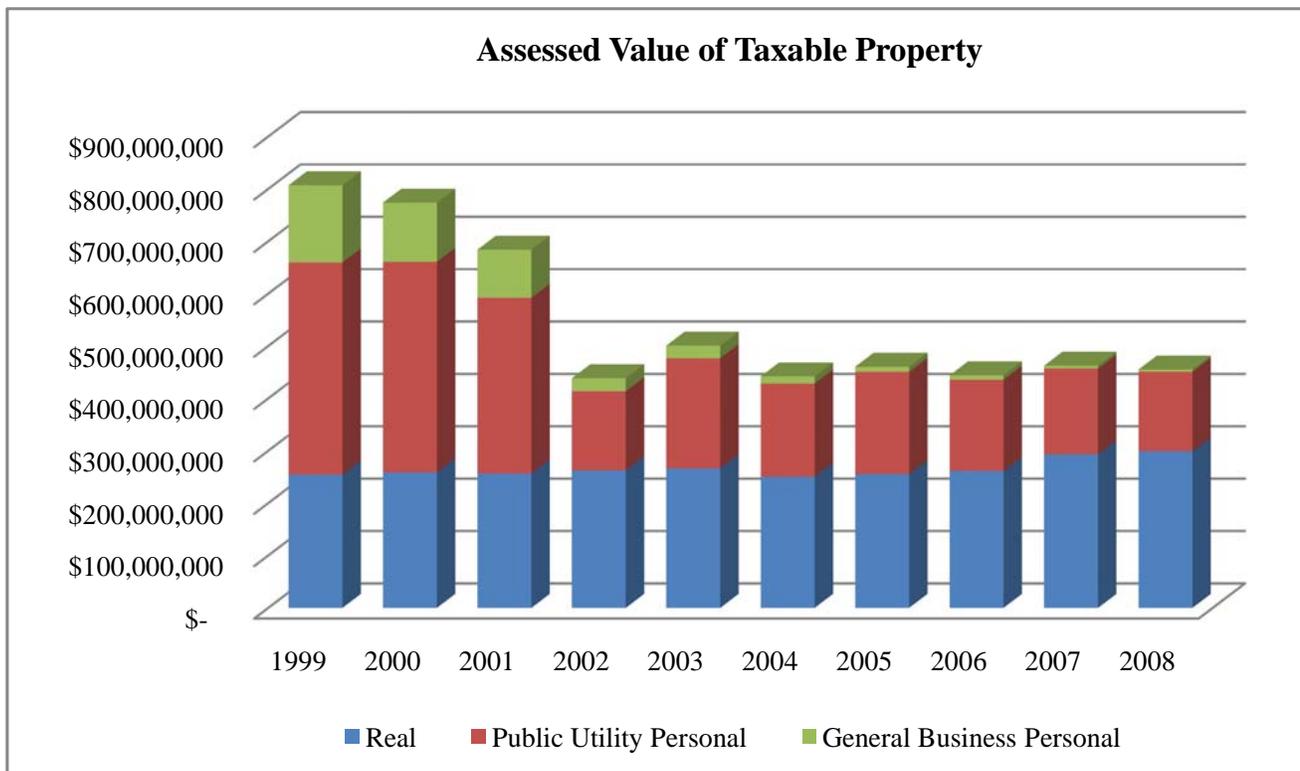
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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: Office of the County Auditor, Lake County, Ohio, Schedule A

Tangible Personal Property					
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Weighted Average Tax Rate
\$147,316,882	\$589,267,528	\$806,872,622	\$1,776,320,035	45.42%	36.5998
113,045,216	452,180,864	773,745,676	1,647,916,711	46.95%	35.5445
91,817,710	367,270,840	683,854,740	1,481,350,767	46.16%	35.5825
24,835,318	99,341,272	438,484,568	1,021,005,953	42.95%	30.4345
24,218,272	96,873,088	500,869,432	1,096,741,824	45.67%	31.9638
13,710,656	54,842,624	441,997,746	972,507,643	45.45%	32.8642
9,664,511	38,658,044	460,458,481	990,094,274	46.51%	33.1096
8,481,211	45,233,125	444,051,911	989,929,833	44.86%	32.3815
5,396,244	43,169,952	462,442,904	1,067,088,939	43.34%	31.0271
4,218,120	67,489,920	455,144,100	1,094,096,732	41.60%	30.5657



Perry Local School District, Lake County

Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years

	1999	2000	2001	2002	2003
Unvoted Millage					
Operating	4.2000	4.2000	4.2000	4.2000	4.2000
Voted Millage					
1976 Operating - continuing	40.0000	40.0000	40.0000	40.0000	40.0000
Residential/Agricultural Real	15.8000	15.8000	15.8000	15.8000	15.8000
Comm./Ind. and Public Utility Real	15.8000	15.8002	18.3358	18.3262	18.3162
Tangible/Public Utility Personal	40.0000	40.0000	40.0000	40.0000	40.0000
1979 Bond (\$315,000)	0.0500	-	-	-	-
Overlapping Rates by Taxing District					
Lake County	21.5000	10.3000	10.3000	10.3000	10.3000
Residential/Agricultural Real	11.6406	8.9068	8.2206	8.2263	8.2778
Comm./Ind. and Public Utility Real	13.9875	9.9015	9.4893	9.4788	9.4029
Tangible/Public Utility Personal	21.5000	10.3000	10.3000	10.3000	10.3000
Auburn JVSD	1.5000	1.5000	1.5000	1.5000	1.5000
Residential/Agricultural Real	1.5000	1.5000	1.5000	1.5000	1.5000
Comm./Ind. and Public Utility Real	1.5000	1.5000	1.5000	1.5000	1.5000
Tangible/Public Utility Personal	1.5000	1.5000	1.5000	1.5000	1.5000
Perry Corp.	8.3000	8.3000	8.3000	8.3000	5.3000
Residential/Agricultural Real	4.5248	4.5102	4.2303	4.1805	3.7402
Comm./Ind. and Public Utility Real	5.3705	5.3705	5.3899	5.3899	4.7621
Tangible/Public Utility Personal	8.3000	8.3000	8.3000	8.3000	5.3000
Perry Twp.	1.3000	1.3000	1.3000	1.3000	1.3000
Residential/Agricultural Real	1.3000	1.3000	1.3000	1.3000	1.3000
Comm./Ind. and Public Utility Real	1.3000	1.3000	1.3000	1.3000	1.3000
Tangible/Public Utility Personal	1.3000	1.3000	1.3000	1.3000	1.3000
Lakeland Community College	-	3.2000	3.2000	3.2000	3.2000
Residential/Agricultural Real	-	1.4787	1.3274	1.3287	1.8254
Comm./Ind. and Public Utility Real	-	2.0998	1.9875	1.9846	2.1308
Tangible/Public Utility Personal	-	3.2000	3.2000	3.2000	3.2000
Metropolitan Park District	-	2.2000	2.2000	2.2000	2.2000
Residential/Agricultural Real	-	1.4001	1.2568	1.2581	1.2538
Comm./Ind. and Public Utility Real	-	1.9949	1.8881	1.8854	1.8585
Tangible/Public Utility Personal	-	2.2000	2.2000	2.2000	2.2000

(continued)

Perry Local School District, Lake County

2004	2005	2006	2007	2008
4.2000	4.2000	4.2000	4.2000	4.2000
40.0000	40.0000	40.0000	40.0000	40.0000
15.8000	15.8000	15.8000	15.8000	15.8000
28.1587	28.5755	28.6535	27.0094	27.0837
40.0000	40.0000	40.0000	40.0000	40.0000
-	-	-	-	-
10.3000	10.3000	10.3000	10.3000	10.4000
7.3213	7.3125	7.6276	7.0884	7.2608
8.9778	9.0975	9.2551	6.6297	8.7551
10.3000	10.3000	10.3000	10.3000	10.4000
1.5000	1.5000	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.5000
5.3000	5.3000	5.3000	5.3000	5.3000
3.4790	3.4424	3.4262	3.3005	3.2982
4.4351	4.5327	4.5254	4.1847	4.1854
5.3000	5.3000	5.3000	5.3000	5.3000
1.3000	1.3000	1.3000	1.3000	1.3000
1.3000	1.3000	1.3000	1.3000	1.3000
1.3000	1.3000	1.3000	1.3000	1.3000
1.3000	1.3000	1.3000	1.3000	1.3000
3.2000	3.2000	3.2000	3.2000	3.2000
1.5381	1.5355	1.5313	1.3792	1.3787
2.0050	2.0403	2.0492	1.8676	1.8632
3.2000	3.2000	3.2000	3.2000	3.2000
2.2000	2.2000	2.2000	2.2000	2.2000
1.0564	1.0547	2.0838	1.8767	1.8762
1.7488	1.7797	2.1575	1.9663	1.9616
2.2000	2.2000	2.2000	2.2000	2.2000

(continued)

Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years (Continued)

	1999	2000	2001	2002	2003
Overlapping Rates by Taxing District (continued)					
Perry Twp. Fire District	4.0000	4.0000	4.0000	4.0000	6.9000
Residential/Agricultural Real	1.8699	1.8559	1.6746	1.6736	4.5690
Comm./Ind. and Public Utility Real	2.2184	2.2184	2.4139	2.4126	5.3097
Tangible/Public Utility Personal	4.0000	4.0000	4.0000	4.0000	6.9000
Lake County Financing District	4.9000	4.9000	4.9000	4.9000	4.9000
Residential/Agricultural Real	3.1201	3.1031	2.7650	2.7630	2.7458
Comm./Ind. and Public Utility Real	4.3286	4.3190	4.4518	4.4279	4.4185
Tangible/Public Utility Personal	4.9000	4.9000	4.9000	4.9000	4.9000
Perry Twp. Library District	0.6000	0.6000	0.6000	0.6000	0.6000
Residential/Agricultural Real	0.3608	0.3581	0.3231	0.3229	0.3226
Comm./Ind. and Public Utility Real	0.5116	0.5116	0.5937	0.5934	0.5931
Tangible/Public Utility Personal	0.6000	0.6000	0.6000	0.6000	0.6000

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.

Overlapping rates are those of Local and County governments that apply to property owners within the School District.

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

Perry Local School District, Lake County

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
6.9000	6.9000	6.9000	6.9000	6.9000
3.8446	3.8374	3.8264	3.4099	3.3942
6.0713	6.1035	6.1095	5.7589	5.7747
6.9000	6.9000	6.9000	6.9000	6.9000
4.9000	4.9000	4.9000	4.9000	4.9000
2.3210	2.3083	2.2972	2.0343	2.0275
4.7670	4.8513	4.8671	4.4142	4.4552
4.9000	4.9000	4.9000	4.9000	4.9000
0.6000	0.6000	0.6000	1.0000	1.0000
0.2731	0.2709	0.2701	0.8911	0.8870
0.6000	0.6000	0.6000	0.9426	0.9452
0.6000	0.6000	0.6000	1.0000	1.0000

Perry Local School District, Lake County

**Property Tax Levies and Collections (1)
Last Nine Years (2)**

Collection Year (4)	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
1999	\$25,379,659	\$23,027,835	90.73%	\$61,067	\$23,088,902	90.97%
2000	25,691,255	22,525,425	87.68	55,563	22,580,988	87.89
2001	22,843,097	20,852,639	91.29	1,695,160	22,547,799	98.71
2002	13,295,823	10,845,961	81.57	337,313	11,183,274	84.11
2003	15,533,716	13,233,275	85.19	353,155	13,586,430	87.46
2004	14,237,249	13,219,709	92.85	3,526,989	16,746,698	117.63
2005	15,352,373	15,192,286	98.96	2,654,146	17,846,432	116.25
2006	14,345,921	14,226,667	99.17	2,608,008	16,834,676	117.35
2007	14,393,154	14,028,888	97.47	5,190,914	19,219,803	133.53

Source: Office of the County Auditor, Lake 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 identify delinquent tax collections by tax year.
- (4) Information prior to 1999 is not available.

Perry Local School District, Lake County

**Principal Taxpayers
Real Estate Tax
1999 and 2008 (1)**

Name of Taxpayer	December 31, 2007	
	Assessed Value	Percent of Real Property Assessed Value
First Energy Nuclear	\$69,686,910	23.32%
Lake County Nursery Inc.	2,341,760	0.78%
A & L Nurseries LLC	1,426,280	0.48%
Deming V LLC	1,389,200	0.46%
APSCO Properties LTD	1,351,540	0.45%
Loreto Development	1,332,210	0.45%
Deming III LLC	1,095,050	0.37%
Losely Edward	1,073,990	0.36%
Deming IX LLC	737,360	0.25%
Gerard K Klyn Inc.	716,440	0.24%
Totals	<u>\$81,150,740</u>	<u>27.16%</u>
Total Assessed Valuation	<u><u>\$298,812,840</u></u>	

Name of Taxpayer	December 31, 1999	
	Assessed Value	Percent of Real Property Assessed Value
CEI	\$107,695,780	42.35%
Pennsylvania Power	64,384,200	25.32%
Toledo Edison	26,687,200	10.50%
Lake County Nursery Inc.	1,124,020	0.44%
Noreen Goldstein TR 1/2	843,960	0.33%
Liberty Self Storage LTD	667,700	0.26%
Dela Perry Corp	562,910	0.22%
Celco Co	523,140	0.21%
Tomen Agro Inc	490,040	0.19%
APSCO Properties LTD	460,900	0.18%
Totals	<u>\$203,439,850</u>	<u>80.01%</u>
Total Assessed Valuation	<u><u>\$254,278,610</u></u>	

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

(1) The amounts presented represent the assessed values upon which 1999 and 2008 collections were based.

Perry Local School District, Lake County

**Principal Taxpayers
Tangible Personal Property Tax
1999 and 2008 (1)**

Name of Taxpayer	December 31, 2007	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Mid West Materials Inc	\$1,923,470	45.60%
APSCO Inc	1,156,810	27.42%
Windstream Western Reserve Inc	557,070	13.21%
Mackenzie Nursery Supply Inc	277,590	6.58%
Lake County Parts Warehouse Inc	199,840	4.74%
Rideout Foods Inc	156,010	3.70%
Clark Rubber & Plastic Co	128,320	3.04%
Neff Perkins Company	121,760	2.89%
MMI Services Inc	95,160	2.26%
Great Lakes Power Services Co	89,530	2.12%
Total (2)	<u>\$4,705,560</u>	<u>111.56%</u>
Total Assessed Valuation (2)	<u><u>\$4,218,120</u></u>	

Name of Taxpayer	December 31, 1999	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Centerior Fuel Corp	\$65,585,510	44.52%
OES Nuclear Inc	47,541,080	32.27%
OES Fuel Incorporated	41,646,260	28.27%
Penn Fuel Corp	11,381,360	7.73%
Signature Energy Supply	4,375,480	2.97%
Mid West Materials Inc	2,280,830	1.55%
APSCO Inc	1,584,670	1.08%
Tomen Argo Inc	1,374,190	0.93%
Thermatool Mill Systems	575,080	0.39%
DB Bently Inc	261,810	0.18%
Total	<u>\$176,606,270</u>	<u>119.89%</u>
Total Assessed Valuation	<u><u>\$147,316,882</u></u>	

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

- (1) The amounts presented represent the assessed values upon which 1999 and 2008 collections were based.
- (2) The assessed personal property valuation total is the 2004 frozen abstract values depreciated by 25% a year until zero for 2009. The top ten values are the actual collected values for that year.

Perry Local School District, Lake County

**Principal Taxpayers
Public Utilities Tax
1999 and 2008 (1)**

	December 31, 2007	
Name of Taxpayer	Assessed Value	Percent of Public Utility Assessed Value
First Energy Nuclear	\$128,589,180	84.54%
American Transmission	8,104,890	5.33%
Ohio Edison	8,087,760	5.32%
CEI	5,800,990	3.81%
Toledo Edison	588,190	0.39%
East Ohio Gas	491,260	0.32%
Total	\$151,662,270	99.70%
Total Assessed Valuation	\$152,113,140	

	December 31, 1999	
Name of Taxpayer	Assessed Value	Percent of Public Utility Assessed Value
Duquesne Light	\$122,591,760	30.25%
CEI	113,654,510	28.04%
Ohio Edison	86,029,530	21.23%
Pennsylvania Power	42,791,450	10.56%
Toledo Edison	35,170,640	8.68%
Western Reserve Telephone	1,936,220	0.48%
East Ohio Gas	1,468,270	0.36%
Total	\$403,642,380	99.60%
Total Assessed Valuation	\$405,277,130	

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

(1) The amounts presented represent the assessed values upon which 1999 and 2008 collections were based.

Perry Local School District, Lake County

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

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
Lake County Bonds	\$23,999,000	6.62%	\$1,588,734
Perry Village Bonds	\$353,000	100.00%	353,000
Perry Township Bonds	<u>\$1,110,108</u>	100.00%	<u>1,110,108</u>
Total Overlapping Debt	<u>\$25,462,108</u>		<u>\$3,051,842</u>
Direct Debt - Perry Local School District			
Energy Conservation Note	1,789,091	100.00%	1,789,091
Capital Lease	<u>188,400</u>	100.00%	<u>188,400</u>
Total Direct Debt	<u>1,977,491</u>		<u>1,977,491</u>
Total Direct and Overlapping Debt	<u>\$27,439,599</u>		<u>\$5,029,333</u>

Source: Office of the Auditor, Lake County, Ohio; Perry Township & Perry Village

Perry Local School District, Lake County

Ratio of General Debt to Estimated Actual Value, Personal Income, and Debt per Capita Last Ten Fiscal Years

Fiscal Year	Population (1)	General Debt						
		General Bonded Debt Outstanding	Energy Conservation Note	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value (1)	Ratio of General Debt to Personal Income (3)	General Debt Per Capita
1999	(a)	\$ 30,000	\$ -	\$ -	\$30,000	(a)	(a)	(a)
2000	6,596 (b)	15,000	-	-	15,000	0.00%	0.01%	2.27
2001	6,596 (b)	-	-	-	-	0.00%	0.00%	0.00
2002	6,596 (b)	-	-	-	-	0.00%	0.00%	0.00
2003	6,596 (b)	-	-	-	-	0.00%	0.00%	0.00
2004	6,596 (b)	-	-	-	-	0.00%	0.00%	0.00
2005	6,596 (b)	-	-	-	-	0.00%	0.00%	0.00
2006	6,596 (b)	-	2,156,818	-	2,156,818	0.22%	1.54%	326.99
2007	6,596 (b)	-	1,976,487	-	1,976,487	0.19%	1.41%	299.65
2008	6,596 (b)	-	1,789,091	188,400	1,977,491	0.18%	1.41%	299.80

Sources: (1) U.S. Bureau of Census, Census of Population
(a) Population figures were unavailable for 1999.
(b) 2000 Federal Census
(2) The Estimated Actual Value can be found on page 129.
(3) The Personal Income can be found on page 142.

Perry Local School District, Lake County

**Computation of Legal Debt Margin
Last Ten Fiscal Years**

	1999	2000	2001	2002
Assessed Valuations	<u>\$806,029,105</u>	<u>\$722,927,699</u>	<u>\$682,985,609</u>	<u>\$437,602,230</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$72,542,619</u>	<u>\$65,063,493</u>	<u>\$61,468,705</u>	<u>\$39,384,201</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	30,000	15,000	-	-
Energy Conservation Notes	-	-	-	-
Less Amount Available in Debt Service	-	-	-	-
Total	<u>30,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
Exemptions:				
Energy Conservation Notes	-	-	-	-
Amount of Debt Subject to Limit	<u>30,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$72,512,619</u>	<u>\$65,048,493</u>	<u>\$61,468,705</u>	<u>\$39,384,201</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.96%	99.98%	100.00%	100.00%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$806,029	\$722,928	\$682,986	\$437,602
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Legal Debt Margin	<u>\$806,029</u>	<u>\$722,928</u>	<u>\$682,986</u>	<u>\$437,602</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Lake County Auditor and School District Financial Records

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

Perry Local School District, Lake County

2003	2004	2005	2006	2007	2008
<u>\$499,916,266</u>	<u>\$441,997,746</u>	<u>\$460,458,481</u>	<u>\$444,051,911</u>	<u>\$462,442,904</u>	<u>\$455,144,100</u>
<u>\$44,992,464</u>	<u>\$39,779,797</u>	<u>\$41,441,263</u>	<u>\$39,964,672</u>	<u>\$41,619,861</u>	<u>\$40,962,969</u>
-	-	-	-	-	-
-	-	-	2,156,818	1,976,487	1,789,091
-	-	-	-	-	-
-	-	-	2,156,818	1,976,487	1,789,091
-	-	-	(2,156,818)	(1,976,487)	(1,789,091)
-	-	-	-	-	-
<u>\$44,992,464</u>	<u>\$39,779,797</u>	<u>\$41,441,263</u>	<u>\$39,964,672</u>	<u>\$41,619,861</u>	<u>\$40,962,969</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$499,916	\$441,998	\$460,458	\$444,052	\$462,443	\$455,144
-	-	-	-	-	-
<u>\$499,916</u>	<u>\$441,998</u>	<u>\$460,458</u>	<u>\$444,052</u>	<u>\$462,443</u>	<u>\$455,144</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Demographic and Economic Statistics
(includes North Perry Village, Perry Township and Perry Village)
Last Nine Years (1)

<u>Year</u>	<u>Population (2)</u>	<u>Total Personal Income (4)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2000	6,596	\$ 140,461,820	\$ 21,295	4.00%
2001	6,596	140,461,820	21,295	4.00%
2002	6,596	140,461,820	21,295	5.00%
2003	6,596	140,461,820	21,295	5.90%
2004	6,596	140,461,820	21,295	6.00%
2005	6,596	140,461,820	21,295	5.80%
2006	6,596	140,461,820	21,295	5.30%
2007	6,596	140,461,820	21,295	5.60%
2008	6,596	140,461,820	21,295	5.70%

- Sources:** (1) Information prior to 2000 is not available
(2) 2000 U.S. Federal Census Bureau
(3) Represents Lake County
(4) Computation of Per Capita Personal Income multiplied by population.

Perry Local School District, Lake County

**Principal Employers
Current Year**

<u>Employer</u>	<u>Nature of Business</u>	<u>2008 (3)</u>	
		<u>Number of Employees (2)</u>	<u>Percentage of Total Employment</u>
FirstEnergy Corporation (CEI)	Energy	800	23%
Perry Local School District	Education	241	7%
APSCO	Manufacturing	187	5%
Cottage Gardens	Agriculture	126	4%
Mid-West Materials	Manufacturing	60	2%
Rideout's IGA	Grocer	50	1%
Perry Joint Fire District	Safety	46	1%
Lake County Nursery	Agriculture	30	1%
Total		<u>1,540</u>	<u>44%</u>
Total Employment within the School District (1)		<u>3,532</u>	

Source: (1) Obtained from the 2000 U.S. Census Bureau
 (2) Obtained from the Cuyahoga County Library Search Engine
 (3) Information prior to 2008 is not available.

**Building Statistics
Last Ten Fiscal Years**

	1999	2000	2001	2002
Perry Elementary School				
Constructed in 1995				
Total Building Square Footage 83,000				
Enrollment Grades K-4	693	664	651	655
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	38	38	38	38
Regular Instruction Teachers	33	32	31	32
Special Instruction Classrooms	17	17	17	17
Special Instruction Teachers	10	11	11.5	11
Perry Middle School				
Constructed in 1995				
Total Building Square Footage 113,000				
Enrollment Grades 5-8	610	616	648	617
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	28	29	29	32
Special Instruction Classrooms	14	14	14	14
Special Instruction Teachers	10	11	10.5	10
Perry High School				
Constructed in 1993				
Total Building Square Footage 271,000				
Enrollment Grades 9-12	637	642	614	644
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	30	30	30	30
Regular Instruction Teachers	22	24	23	21
Special Instruction Classrooms	18	18	18	18
Special Instruction Teachers	18	18	17	18

Source: District Records, Ohio Department of Education

Perry Local School District, Lake County

2003	2004	2005	2006	2007	2008
614	598	613	638	674	651
1,200	1,200	1,200	1,200	1,200	1,200
38	38	38	38	38	38
31	32	30	30	26	30
17	17	17	17	17	17
11	10	10	11	11	12
612	612	602	592	588	598
1,200	1,200	1,200	1,200	1,200	1,200
34	34	34	34	34	34
30	30	28	29	30	26
14	14	14	14	14	14
10	10	10	10	10.5	14.5
613	618	601	605	644	649
1,200	1,200	1,200	1,200	1,200	1,200
30	30	30	30	30	30
22	22	19	21	26	22
18	18	18	18	18	18
16	16	17	18	11	16

Perry Local School District, Lake County

**Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Student Enrollment		General Government		Governmental Activities (3)	
	Average Enrollment (1)	Percent of Change	Total Expenditures (2)	Per Pupil Cost	Total Expenses	Per Pupil Cost
1999	1,942	-0.05%	\$ 27,765,921	\$ 14,298	N/A	N/A
2000	1,924	0.93%	26,708,125	13,882	N/A	N/A
2001	1,904	1.04%	27,675,923	14,536	N/A	N/A
2002	1,873	1.63%	28,444,162	15,186	N/A	N/A
2003	1,844	1.55%	26,667,368	14,462	30,176,838	16,365
2004	1,823	1.14%	28,193,254	15,465	31,332,196	17,187
2005	1,859	-1.97%	29,609,434	15,928	31,147,313	16,755
2006	1,834	1.34%	29,220,624	15,933	31,426,458	17,135
2007	1,904	-3.82%	32,023,411	16,819	34,252,231	17,990
2008	1,886	0.95%	30,332,273	16,083	33,482,903	17,753

Source: School District Records

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

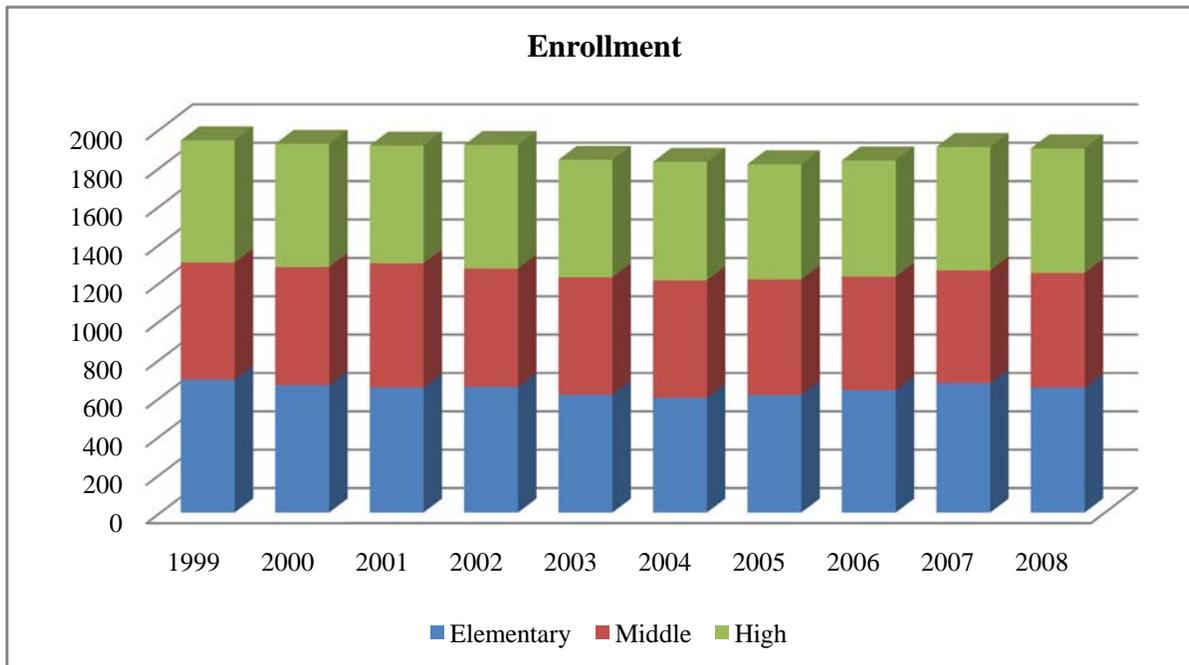
(2) Debt Service expenditures and other financing sources have been excluded

(3) The School District implemented GASB 34 in fiscal year 2003.

Perry Local School District, Lake County

Enrollment Statistics Last Ten Fiscal Years

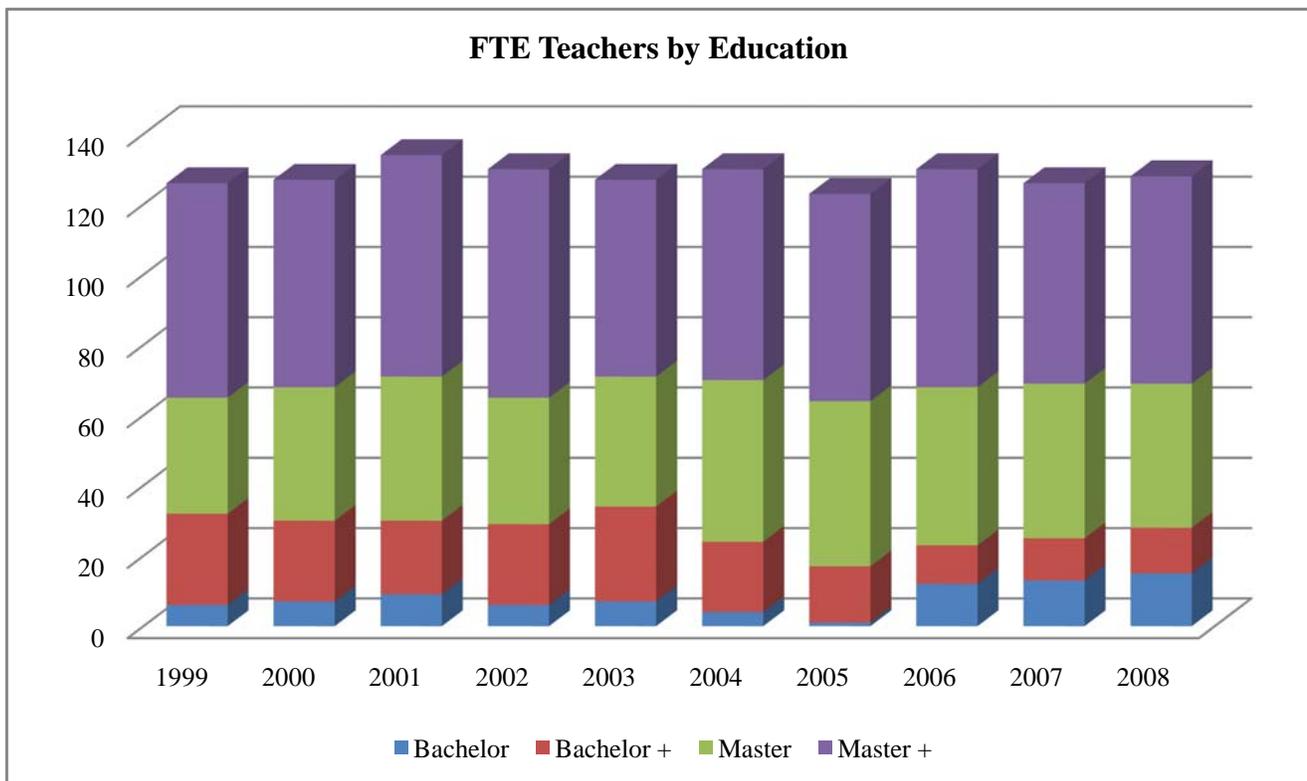
Fiscal Year	Elementary School	Middle School	High School	Total
1999	693	610	639	1,942
2000	664	616	644	1,924
2001	651	648	605	1,904
2002	655	617	601	1,873
2003	614	612	618	1,844
2004	598	612	613	1,823
2005	613	602	644	1,859
2006	638	592	604	1,834
2007	674	588	642	1,904
2008	651	598	637	1,886



Source: Ohio Department of Education

**Full-Time Equivalent Teachers by Education
Last Ten Fiscal Years**

<u>Degree</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Bachelor's Degree	6	7	9	6	7	4	1	12	13	15
Bachelor + 15	11	11	6	11	10	7	6	3	4	6
Bachelor + 30	15	12	15	12	17	13	10	8	8	7
Master's Degree	33	38	41	36	37	46	47	45	44	41
Master + 15	61	59	63	65	56	60	59	62	57	59
Total	126	127	134	130	127	130	123	130	126	128



Source: School District Records

**Teachers' Salaries
Last Seven Fiscal Years (5)**

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (2)</u>	<u>Average Salary Comparable Districts (3)</u>	<u>Statewide Average Salary (4)</u>
2002	\$ 32,846	\$ 70,882	\$ 47,088	\$ 43,755
2003	32,846	70,882	45,523	45,645
2004	32,846	70,882	49,058	47,658
2005	32,846	70,882	50,746	49,436
2006	32,846	70,882	51,168	50,771
2007	32,846	70,882	52,435	53,534
2008	32,846	70,822	N/A	53,410

- Source:** (1) Starting teacher with no experience
 (2) Teacher with a Masters degree +15
 (3) Provided by the Ohio Department of Education
 (4) Provided by the Ohio Department of Education
 (5) Information prior to 2002 is not available.

**Average Number of Students per Teacher
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Perry Average</u>	<u>State Average</u>
1999	17.2	18.6
2000	17.1	18.1
2001	16.2	18.0
2002	15.8	16.9
2003	15.9	16.5
2004	17.0	18.5
2005	17.2	18.5
2006	16.3	18.6
2007	16.5	19.6
2008	16.4	18.6

Source: Ohio Department of Education, EMIS Reports

**Attendance and Graduation Rates
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Perry Attendance Rate</u>	<u>State Average</u>	<u>Perry Graduation Rate</u>	<u>State Average</u>
1999	95.30%	93.50%	91.30%	80.60%
2000	96.10%	93.60%	97.20%	80.60%
2001	96.10%	93.90%	97.50%	81.10%
2002	95.90%	94.30%	99.20%	82.70%
2003	96.20%	94.50%	96.00%	84.30%
2004	96.20%	94.50%	97.20%	85.90%
2005	95.60%	94.30%	98.60%	86.20%
2006	96.00%	94.10%	100.00%	86.10%
2007	96.10%	94.10%	98.10%	86.90%
2008	96.00%	94.20%	(1)	(1)

Source: Ohio Department of Education
(1) Information not yet available for 2008.

**School District Employees by Function/Program
Last Three Fiscal Years (1)**

Function/Program	2006	2007	2008
Regular Instruction	80.00	76.00	78.00
Special Instruction	39.00	41.00	41.00
Pupil Support Services			
Special Education Supervisor	1.00	1.00	1.00
Guidance Counselors	4.00	4.00	4.00
Librarians	1.00	1.00	1.00
Psychologists	1.00	1.00	1.00
Speech and Language Pathologists	0.00	0.00	0.00
Nurses	2.00	2.00	2.00
Educational/Media Associates	25.00	22.00	21.00
Facilitators	3.00	1.00	1.00
Athletic Director	1.00	1.00	1.00
Administrators			
Elementary	2.00	2.00	2.00
Middle	2.00	2.00	2.00
High	2.00	2.00	2.00
District	5.00	6.00	4.00
Operation of Plant			
Supervision	1.00	1.00	1.00
Custodians	18.00	17.00	17.00
Maintenance	4.00	4.00	4.00
Pupil Transportation			
Supervision	1.00	1.00	1.00
Bus Operators	21.00	21.50	17.00
Bus Aides	4.00	5.50	2.00
Van Drivers	0.00	0.00	0.00
Bus Mechanics	2.00	2.00	2.00
Food Service Program	14.00	12.00	13.00
Administrative Support Services			
Secretary/Administrative Support	19.00	20.00	20.00
Information Technology	3.00	3.00	3.00

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Source: District Records

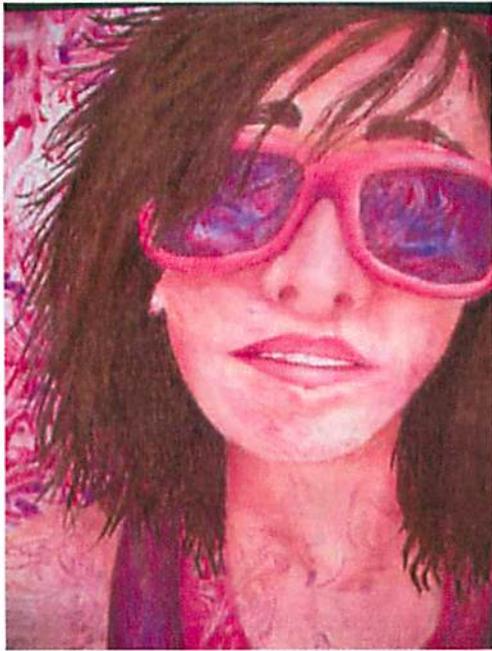
(1) Information prior to 2006 is not available.

Perry Local School District, Lake County

Free or Reduced Lunch Program Percentages Last Two Fiscal Years (1)

<u>School Year</u>	<u>Students</u>	<u>Students Applicable for Free Lunch</u>	<u>Percentage of Applicable Students for the Free Lunch Program</u>	<u>Students Applicable for Reduced Lunch</u>	<u>Percentage of Applicable Students for the Reduced Lunch Program</u>	<u>Total Students Applicable for the Free and Reduced Lunch Program</u>	<u>Total Percentage of Applicable Students for the Free and Reduced Lunch Programs</u>
2007	1,834	105	5.73%	224	12.21%	329	17.94%
2008	1,904	109	5.72%	130	6.83%	239	12.55%

Source: "Lunch MR 81 Report for October" obtained from the Ohio Department of Education.
(1) Information prior to 2007 is not available.



Alicia - Grade 12



Samantha - Grade 11



Erin - Grade 11

Perry Local School District, Lake County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008



Mary Taylor, CPA
Auditor of State

PERRY LOCAL SCHOOL DISTRICT

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 20, 2009**