

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

CUYAHOGA HEIGHTS, OHIO

LOCAL SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2000

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

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Board of Education
Cuyahoga Heights Local School District
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We have reviewed the independent auditor's report of the Cuyahoga Heights Local School District, Cuyahoga County, prepared by Trimble, Julian & Grube, Inc., for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

JIM PETRO
Auditor of State

January 4, 2001

Cuyahoga Heights Schools

Excellence in Education

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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November 28, 2000

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

We are pleased to submit to you Cuyahoga Heights Local School District's second Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the School District (the "District") for the fiscal year ended June 30, 2000. This CAFR, which includes an opinion from the Independent Public Accounting Firm that performed the District's audit, conforms to generally accepted accounting principles (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chambers of Commerce, major taxpayers, the Cleveland Public Library, Cuyahoga County Colleges and Universities, financial rating services, and other interested parties.

The comprehensive annual financial report is presented in three sections:

1. The Introductory Section, which is unaudited, includes this transmittal letter, a table of contents, list of principal officials, the District's organizational chart, and awards received from the Government Finance Officers Association and the Association of School Business Officials International for the 1999 CAFR report.
2. The Financial Section, which includes the independent auditor's report, the general purpose financial statements and explanatory notes, and combining and individual fund and account group financial statements and schedules.
3. The Statistical Section, which is unaudited, includes various tables which reflect financial and demographic information, financial trends, and the fiscal capacity of the District.

School District Organization

Cuyahoga Heights Local School District is one of 660 public and community school districts in the State of Ohio and 42 in Cuyahoga County. It provides education to approximately 833 students in preschool (age 4) through grade 12. A half-day class for preschool children is also provided. The

District is located in Cuyahoga County in northeastern Ohio, approximately five miles south of the downtown area of the City of Cleveland. The District's territory encompasses all the territory of the Villages of Brooklyn Heights, Cuyahoga Heights, and Valley View. The District was formed in 1938. The first graduating class of the District was the class of 1939.

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in Division (D) of Section 3301.47 and Section 110.01 of the Ohio Revised Code, to provide educational services authorized and mandated by State and/or Federal agencies.

A five member Board of Education serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of District monies. Two of the Board members have served ten years each, one Board member has served eight years and two Board members have served four years each.

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

The Reporting Entity

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

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

Economic Outlook

The boundaries of the District limit opportunities for residential property growth. Industrial enterprises represent over 90% of the District's tax duplicate. The unemployment rate for Cuyahoga County was 4.6 percent for calendar year 1999. The rate of unemployment for the United States during the same time period was 4.0 percent.

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

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

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined that they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Supreme Court. The Supreme Court upheld their initial ruling in May, 2000 and the legislature continues its attempt of address all the issues. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

Major Initiatives

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

The mission of the Cuyahoga Heights Local School District is to develop life-long learners with a positive self-concept who see themselves as active participants in a global community and who are, therefore, economically productive, socially and environmentally responsible, and appreciative of the unique contributions of each culture that comprise that community.

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

1. To infuse technology in all areas of learning (K-12).
2. To raise expectations and achievement levels in all children.

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

A Total Quality School

With the implementation of the Academic Strategic Plan, the District is involved in a long-term, systematic transformation to raise achievement levels and to continuously improve. The Ohio School Boards Association selected the District to showcase its student achievements at their annual state conference attended by over 7,000 people. Our technology students were featured in state and national School Board publications. Quality education has always been and will continue to be a priority with the District.

Guidance Program

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

Curriculum and Instruction

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

Pre-Kindergarten Program

The Pre-Kindergarten teachers’ course of study was revised to focus on a curriculum that is

developmentally appropriate for four and five-year old children. The philosophy and curriculum is based on the cognitive, emotional, physical, and social needs of young children. Furthermore, the course of study is carefully articulated with the Kindergarten and First grade curriculum. In addition, the teachers focus on assessment strategies and parent involvement.

Grades One and Two

Looping began in grades one and two and will begin in grades three and four in school year 2000-2001. The looping program provides that the teachers remain with students for two consecutive years. Teachers in first grade move with the children into the second grade and, beginning in school year 2000-2001, teachers in the third grade will move with their students into the fourth grade.

Technology

- Exit profiles are required of all students in grades 5 and 8. Students in grade five complete their own web page. Students in grade 8 complete a personal and academic multimedia project.
- A network manager continues to ensure that all computer hardware, software, and technology systems are working as efficiently and effectively as possible.
- Computers are available in the Elementary School computer labs and classroom areas. In the Middle School and High School, students have access to computers throughout the day in computer labs and in the library media center. The computer labs are open before school and after school for the students' use.
- The school libraries provide additional electronic resources for the students, including a wide variety of research information available on compact disc, and access to the Internet.
- Interactive computer assessment software provides mathematics and reading assistance to students in grades 1-8.
- A staff development program encouraged staff to further integrate computer technology into their curriculum. Staff members created multimedia programs, initiated e-mail projects with corporations, began collaborative projects between Elementary School and High School classes, and did extensive lesson planning research on the Internet. They also participated in SchoolNet Tools training workshops: Information, Productivity, Multimedia, and Networking.
- The District has developed the school's web page; the address is: www.cuyhts.k12.oh.us

Student Assessment

Student assessment is an ongoing process that occurs continually in the classroom. Standardized testing is just one form of assessment used by our staff to help children meet their fullest potential. The most familiar example of standardized tests are the State-mandated Ohio Proficiency Tests. Ohio is one of twenty-two states in the nation to use such tests to measure academic achievement (reading, writing, math, citizenship, and science). Children are given these statewide tests in grades 4, 6, 8, 9, and 12. Shown below are the results from Proficiency Tests given in the 1999-2000 school year:

Percent of Students Passing 1999-2000
State Proficiency Exam

<u>Grade</u>	<u>Writing</u>	<u>Reading</u>	<u>Math</u>	<u>Citizenship</u>	<u>Science</u>
4	90	76	63	87	63
6	92	76	83	96	80
8	98	98	92	93	89
9 *	100	100	93	99	99
12	91	67	66	84	66

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

FINANCIAL INFORMATION

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

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

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

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

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

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

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

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

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

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

Revenues and other financing sources for the Governmental funds totaled \$14,153,578 in fiscal year 2000. General property taxes produced 81.87 percent of total governmental fund revenues and other financing sources. State and Federal support accounted for 8.03 percent of the revenues and other financing sources. The amount of revenue from various sources and a comparison with the previous year is shown in the following tabulation:

	<u>1999</u> <u>Amount</u>	<u>2000</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
<u>Revenues and</u>					
<u>other financing sources</u>					
Taxes	\$ 11,832,611	\$11,588,156	81.87%	\$(244,455)	(2.07)%
Intergovernmental	1,052,237	1,135,759	8.03	83,522	7.94
Interest	345,708	389,550	2.75	43,842	12.68
Tuition	3,955	48,789	0.34	44,834	1,133.60
Other Local Revenues	98,425	601,009	4.25	502,584	510.63
Revenue from					
Intermediate Sources	81,367	86,196	0.61	4,829	5.93
Other Financing Sources	<u>284,985</u>	<u>304,119</u>	<u>2.15</u>	<u>19,134</u>	6.71
Total	<u>\$13,699,288</u>	<u>\$14,153,578</u>	<u>100.00%</u>	<u>\$454,290</u>	3.32%

Tax revenue decreased due to a decrease in the amount of taxes collected and available for advance to the District from the County Auditor at June 30, 2000. The amount of taxes collected by the County Auditor by June 30 was lower in the current year primarily due to the tax bills being mailed out later than in the prior year. State statute requires that taxes available for advance be recorded as revenue for GAAP purposes (whether or not the advance is actually taken) although the amounts are not available for appropriation at June 30.

The largest component of intergovernmental revenue is the Foundation Program. This program allocates state dollars the Ohio school districts based upon a basic aid formula calculation which takes into account factors such as: 1) local ability to pay for education (tax base); 2) enrollment; and 3) a per pupil allocation (\$4,052 for fiscal 2000). Intergovernmental revenue increased primarily due to an increase in Foundation Program funding and due to an increase in State property tax relief (Homestead and Rollback).

Interest earnings increased \$43,842 or 12.68% over the prior year. See the "Cash Management" section of this transmittal letter for a description of the Districts investment practices. Management makes an effort to maximize earnings while maintaining the safety of all investments.

The increase in tuition revenue is primarily due to a change in the reporting of tuition distributions made through the Foundation Program. These receipts were reported as intergovernmental revenue in 1999, however they are required to be reported as tuition revenue in 2000.

Other local revenue increased significantly due to the Eller Media lease agreement entered into during fiscal 1999. The first payment on this lease of \$500,000 was received in fiscal year 2000. See Note 17 to the general purpose financial statements for further information on this lease agreement.

Governmental fund expenditures and other financing uses for fiscal year 2000 totaled \$13,528,733 and are summarized by major function as follows:

	<u>1999</u> <u>Amount</u>	<u>2000</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
<u>Expenditures and other financing sources</u>					
Current:					
Instruction:					
Regular	\$ 4,638,008	\$ 4,654,780	34.41%	\$ 16,772	0.36%
Special	392,826	416,633	3.08	23,807	6.06
Adult/Continuing	109,703	163,511	1.21	53,808	49.05
Support Services:					
Pupil	1,104,593	1,160,456	8.58	55,863	5.06
Instructional Staff	511,198	614,719	4.55	103,521	20.25
Board of Education	45,722	49,105	0.36	3,383	7.40
Administration	776,680	969,105	7.16	192,425	24.78
Fiscal	488,215	440,326	3.25	(47,889)	(9.81)
Business	85,112	87,403	0.64	2,291	2.69
Operation and Maintenance					
Maintenance	1,306,020	1,358,667	10.04	52,647	4.03
Pupil Transportation					
Pupil Transportation	546,238	575,051	4.25	28,813	5.27
Central	48,848	41,193	0.30	(7,655)	(15.67)
Community Services	69,409	74,653	0.55	5,244	7.56
Extracurricular Activities	529,225	522,543	3.86	(6,682)	(1.26)
Facilities Services	644,178	1,400,535	10.36	756,357	117.41
Debt Service:					
Principal Retirement	342,189	361,380	2.67	19,191	5.61
Interest and Fiscal Charges	308,938	284,887	2.11	(24,051)	(7.79)
Other Financing Uses	<u>353,786</u>	<u>353,786</u>	<u>2.62</u>	<u>0</u>	<u>0</u>
Total	<u>\$12,300,888</u>	<u>\$13,528,733</u>	<u>100.00%</u>	<u>\$1,312,857</u>	<u>9.98%</u>

The increase in Adult/Continuing Education was due to a increase in the program scope for fiscal 2000. The scope of the Adult/Continuing Education was reduced in 1999 from 1998. The expenditure total for 2000 is consistent with 1998.

The increase in Instructional Staff support services and Administrative support services is due to an overall increase in salary, wage, retirement and fringe benefit costs associated with District personnel. In addition, the District hired additional personnel in fiscal 2000 to perform these support service functions. Fringe benefit costs include health, dental, vision and prescription drug card premiums paid primarily by the District.

The decrease in Fiscal support services is due to additional fees paid to the County Auditor in 1999 as a result of increased collections on delinquent taxes. These additional fees caused 1999 expenditures to appear excessive. Fiscal support service expenditures for 2000 are consistent with the 1998.

The increase in Facilities Services is due to numerous improvement, renovation, and replacement projects being performed by the District. These include, but are not limited to, the construction of

a new athletic complex and track and the replacement of various doors and windows throughout the District. See Note 8 to the general purpose financial statements for a summary of the fixed asset additions during fiscal 2000 and Note 18 to the general purpose financial statements for a contractual commitment outstanding at June 30, 2000.

General Fund Balance. The General fund concluded fiscal year 2000 with a fund balance of \$6,666,794, an increase of over \$1,036,337 from the June 30, 1999, fund balance of \$5,630,457. Management estimates that current tax rates will be sufficient for the next four to five years.

Financial Highlights - Proprietary Funds. Food service, uniform school supplies, and adult education are classified as Enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of net income or loss resulting from operations that are significantly financed from user fees. In total, the Enterprise funds had net income of \$11,495 for the year ended June 30, 2000, compared to net income of \$7,718 for the year ended June 30, 1999. It should be noted that net income includes "non-cash" depreciation expense of \$1,800. The operating loss (before intergovernmental revenue and an operating transfers) totaled (\$73,448); thus, the reliance on outside support (federal funding of the National School Lunch and Commodities Program and a General fund operating transfer) is apparent. Absent the transfer from the General fund, the Enterprise funds concluded fiscal year 2000 with a net loss of (\$38,505).

The principal Internal Service fund carried on the financial records relates to self-insurance. This fund accounts for the revenues and expenses related to the provision of dental, vision, and prescription drug benefits to the District employees. The Employee Benefits Self-Insurance fund had net income during the year of \$17,161, and retained earnings of \$69,417 at June 30, 2000, compared with a net loss of (\$16,736) during fiscal 1999, and retained earnings of \$52,256 at June 30, 1999. Changes in the fund's claims liability over the past 6 fiscal years are reported in Note 11 to the general purpose financial statements.

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

Expendable Trust fund assets have been donated to the District, and may be spent in their entirety for student scholarships and awards. The fund balance of the Expendable Trust fund at June 30, 2000 was \$2,266.

Nonexpendable Trust fund assets have been endowed in perpetuity to the District; i.e., the principal amount of the endowment may never be expended. Generally, the terms of the endowment specify that interest earnings on the invested principal may be used to provide student scholarships. Interest earnings in fiscal 2000 totaled \$4,865. As of June 30, 2000, the endowed principal amount was \$42,673, while \$53,981 was available for student scholarships.

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

General Fixed Assets. The general fixed assets of the District are used to carry on the main education and support function of the District and are not financial resources available for expenditure. The total general fixed assets at June 30, 2000, were \$18,358,918. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

Debt Administration. At June 30, 2000, general obligation bonds outstanding totaled \$3,790,000. During the fiscal year, \$195,000 of general obligation bonds were retired. The District maintained its "A-1" rating from Moody's Investors Service, and its "AAA" rating from Standard and Poor's on general obligation bond issues. The energy conservation bonds outstanding at June 30, 2000 were \$918,280. During the fiscal year, \$127,907 of these bonds were retired. The legal debt restriction in the State of Ohio is a limit of 9 percent of assessed valuation for voted debt, and .10 percent for unvoted debt. As of June 30, 2000, the voted debt margin was \$42,526,056 and the unvoted debt margin was \$510,182. All existing bond obligations are general obligation debt backed by the full faith and credit of the District and will be retired fully by fiscal year 2013.

Cash Management. The Board has an aggressive cash management program, which consists of expediting the receipt of revenues and prudently depositing cash, which is insured by the Federal Deposit Insurance Corporation or collateralized by a securities pool. The District invests available cash in instruments issued by the United States Government, the State Treasurer's Investment Pool (STAR Ohio), and other investments authorized by Chapter 135 of the Ohio Revised Code. Except for nonparticipating investment contracts such as certificates of deposit, investments at June 30, 2000 have been reported at fair value, which is based upon quoted market prices. The total amount of interest earned was \$397,199 for the year ended June 30, 2000; \$345,136 being credited directly to the General fund. This cash management program is beneficial because of access to daily balances, which enables the Board to maintain minimum balance accounts and invest available cash to the maximum extent.

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

Risk Management. The District operates and manages the vision benefits, dental benefits, and prescription drug benefits for employees on a self-insured basis. A third party administrator processes and pays the claims. The total benefits liability is limited by reinsurance that caps the individual liability at \$35,000 per employee, and an aggregate liability, for all covered employees, of \$967,225 for fiscal year 2000. The advantages of the self-insurance arrangement include the retention of reserves by the District, as well as savings on administrative costs. The control of the plan rests with the District.

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

Pension Plan. All District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the District to pay the employer share as determined by each retirement system. The District's 2000 contributions were \$187,310 paid as an employee portion and \$291,371 paid as the employer portion (\$478,681 total) to SERS, and \$498,840 paid as an employee portion and \$750,942 as the employer portion (\$1,249,782 total) to STRS. See Notes 13 and 14 to the general purpose financial statements for complete details.

USE OF THIS REPORT

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

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

INDEPENDENT AUDIT

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

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cuyahoga Heights Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 1999. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials (ASBO) for the District's comprehensive annual financial report for the fiscal year ended June 30, 1999. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the District to the taxpayers. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the Treasurer's office staff and various administrators and employees of the District. Our consultant, Trimble, Julian & Grube, Inc., provided us with expert technical assistance in all phases of preparing the report. The assistance of the Cuyahoga County Auditor's office in providing information is also appreciated. We also wish to acknowledge Mr. Stephen Euse, who designed the report cover. Finally, we wish to acknowledge the cooperation of the team from Trimble, Julian & Grube, Inc., who conducted a thorough audit of our finances.

In closing, without the leadership and support of the Board of Education of the District, preparation of this report would not have been possible

Respectfully,

Cynthia H. Strickland *Peter P. Guerrero*
Cynthia H. Strickland, RSBFO Peter P. Guerrero
Treasurer Superintendent

**CUYAHOGA HEIGHTS LOCAL
SCHOOL DISTRICT**

**List of Principal Officials
June 30, 2000**

Board of Education

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

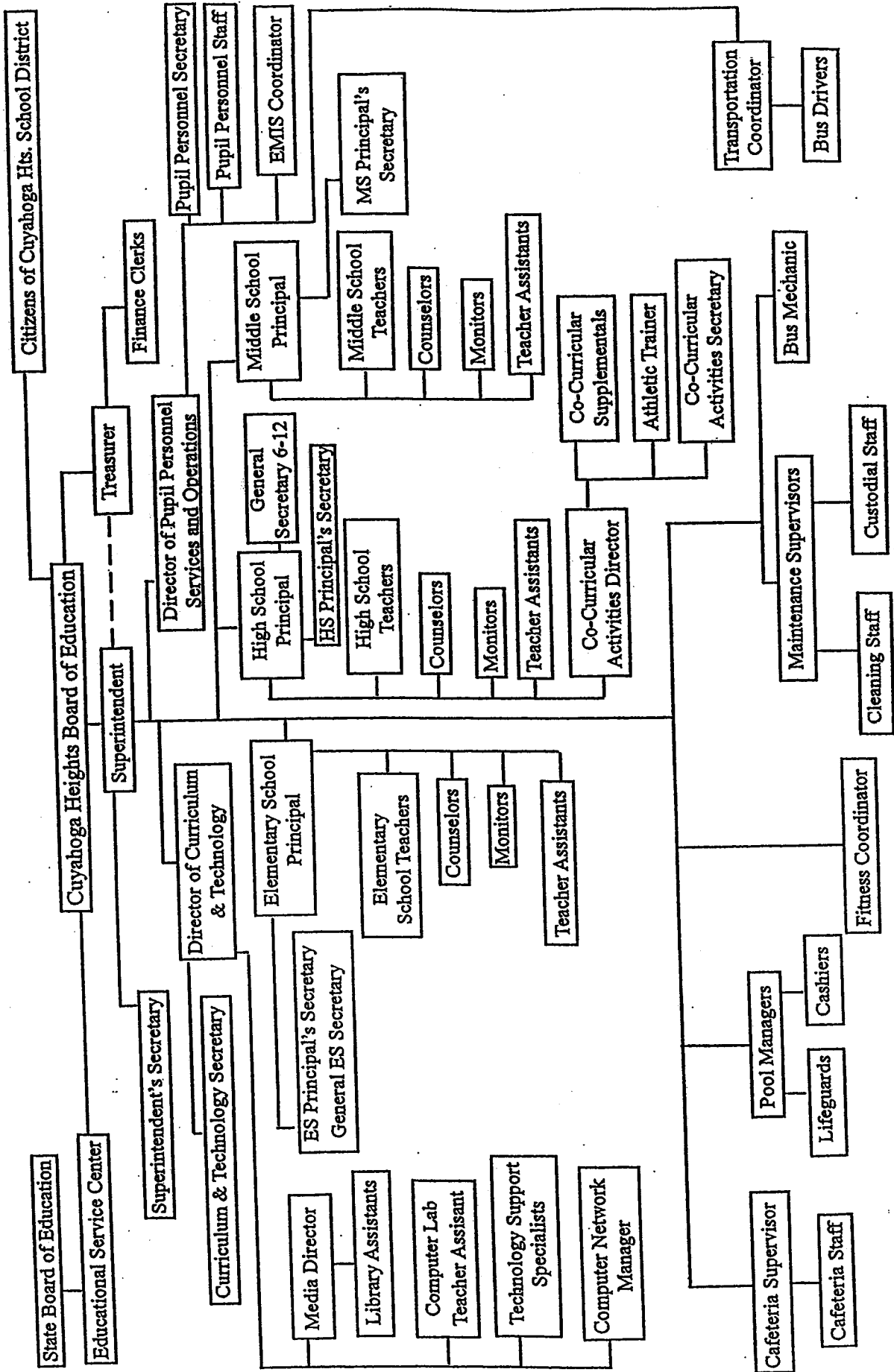
Treasurer

Ms. C. H. Strickland, RSBFO

Administration

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

CUYAHOGA HEIGHTS SCHOOLS ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cuyahoga Heights, Ohio
Local School District

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

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



Anne Spray Kinsey
President

Jeffrey L. Essler
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

CUYAHOGA HEIGHTS, OHIO LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 1999

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

Sam Deering
President

Don t. Hays
Executive Director

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of the Cuyahoga Heights Local School District, Cuyahoga County, (the "District"), as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cuyahoga Heights Local School District, Cuyahoga County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Independent Auditors Report
Cuyahoga Heights Local School District
Page 2

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

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

Trimble, Julian & Grube, Inc.
November 28, 2000

**GENERAL PURPOSE FINANCIAL
STATEMENTS**

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2000

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Types			Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General	Fixed Assets	Long-Term Obligations	General		
ASSETS:													
Equity in pooled cash and cash equivalents	\$7,127,804	\$94,745	\$390,385	\$823,518	\$72,085	\$93,490	\$54,783						\$8,656,810
Equity in pooled cash and cash equivalents - nonexpendable trust fund	2,428					76,953	96,654						96,654
Cash with fiscal agent													79,381
Receivables (net of allowances of uncollectibles):													
Property taxes - current & delinquent	12,628,325		562,695		263	210	3,774						13,191,020
Accounts	10,400			3,057									14,647
Accrued interest	250,739												253,796
Due from other governments	1,755												1,755
Due from other funds	300,000												300,000
Prepayments	16,173												16,173
Materials and supplies inventory	51,122				11,780								62,902
Restricted assets:													
Equity in pooled cash and cash equivalents	257,266												257,266
Property, plant and equipment (net of accumulated depreciation where applicable)					15,469			\$18,358,918					18,374,387
OTHER DEBITS:													
Amount available in Debt Service Fund										\$399,663			399,663
Amount to be provided for retirement of General Long-Term Obligations										5,398,411			5,398,411
Total assets and other debits	\$20,646,012	\$94,745	\$953,080	\$826,575	\$99,597	\$170,653	\$155,211	\$18,358,918	\$5,798,074	\$5,798,074			\$47,102,865

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

--Continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2000

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types		Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Fixed Assets	General	Long-Term Obligations		
LIABILITIES, EQUITY AND OTHER CREDITS												
LIABILITIES:												
Accounts payable	\$51,507	\$2,040		\$63,299			\$715					\$117,561
Accrued wages and benefits	1,056,801	126		27								1,064,874
Compensated absences payable	74,910				\$7,920					\$1,032,673		1,121,230
Contracts payable	2,428				13,647							2,428
Pension obligation payable	124,344			527		\$648	1,991					124,871
Deferred revenue	12,669,228		\$553,417		4,673		7,987					13,229,957
Due to other governments							45,598					45,598
Due to students												300,000
Due to other funds	300,000											300,000
Claims payable						99,887						99,887
General obligation bonds payable									3,790,000			3,790,000
Energy conservation bonds payable									918,280			918,280
Obligation under capital lease									57,121			57,121
Total liabilities	13,979,218	302,166	553,417	63,326	26,767	100,555	56,291		5,798,074			20,879,794
EQUITY AND OTHER CREDITS:												
Investment in general fixed assets									\$18,358,918			18,358,918
Retained earnings: unreserved					72,830	70,118						142,948
Fund balances:												
Reserved for encumbrances	372,396	39,610		252,003			650					664,659
Reserved for materials and supplies inventory	51,122											51,122
Reserved for prepayments	16,173											16,173
Reserved for debt service			390,385									390,385
Reserved for tax revenue unavailable for appropriation	207,998		9,278									217,276
Reserved for principal endowment												42,673
Reserved for budget stabilization	257,266											257,266
Reserved for scholarships												53,981
Unreserved:												
Designated for budget stabilization	111,480			511,246			1,616					111,480
Undesignated	5,650,359	(247,031)										5,916,190
Total equity and other credits	6,666,794	(207,421)	399,663	763,249	72,830	70,118	98,920		18,358,918			26,223,071
Total liabilities, equity and other credits	\$20,646,012	\$94,745	\$953,080	\$826,575	\$99,597	\$170,653	\$155,211		\$18,358,918	\$5,798,074		\$47,102,865

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICIT)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Governmental Fund Types				Fiduciary	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
From local sources:						
Taxes	\$10,537,052		\$459,344	\$591,760		\$11,588,156
Tuition	48,789					48,789
Earnings on investments	345,136	\$4,388		40,026	\$113	389,663
Lease revenue		500,000				500,000
Extracurricular		63,667				63,667
Other local revenues	37,342				509	37,851
Revenue from intermediate sources	86,196					86,196
Intergovernmental - State	1,040,656	15,068	26,146			1,081,870
Intergovernmental - Federal		53,889				53,889
Total revenues	12,095,171	637,012	485,490	631,786	622	13,850,081
Expenditures:						
Current:						
Instruction:						
Regular	4,604,228	21,574		28,978		4,654,780
Special	378,425	38,208				416,633
Adult/continuing	163,353	158				163,511
Support services:						
Pupil	777,287	13,241		369,928		1,160,456
Instructional staff	587,517	7,773		19,429		614,719
Board of Education	38,889			10,216		49,105
Administration	969,105					969,105
Fiscal	440,326					440,326
Business	87,403					87,403
Operations and maintenance	1,260,194	2,897		95,576		1,358,667
Pupil transportation	575,051					575,051
Central	25,653	15,540				41,193
Community services	74,520	133			250	74,903
Extracurricular activities	376,700	145,843				522,543
Facilities services	313,177	699,949		387,409		1,400,535
Debt service:						
Principal retirement	38,473		322,907			361,380
Interest and fiscal charges	6,192		278,695			284,887
Total expenditures	10,716,493	945,316	601,602	911,536	250	13,175,197
Excess (deficiency) of revenues over (under) expenditures	1,378,678	(308,304)	(116,112)	(279,750)	372	674,884
Other financing sources (uses):						
Operating transfers in		122,000	181,786			303,786
Operating transfers out	(353,786)					(353,786)
Proceeds from sale of assets	333					333
Total other financing sources (uses)	(353,453)	122,000	181,786			(49,667)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,025,225	(186,304)	65,674	(279,750)	372	625,217
Fund balances (Deficit), July 1	5,630,457	(21,117)	333,989	1,042,999	1,894	6,988,222
Increase in reserve for inventory	11,112					11,112
Fund balances (Deficit), June 30	\$6,666,794	(\$207,421)	\$399,663	\$763,249	\$2,266	\$7,624,551

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	General Fund			Special Revenue			Debt Service			Capital Projects			Total (Memorandum only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:															
From local sources:															
Taxes.....	\$11,750,258	\$11,215,464	(\$534,794)		\$515,213	\$515,214	\$1	\$946,318	\$591,760	(\$354,558)	\$13,211,789	\$12,322,438	(\$889,351)		
Tuition.....	47,933	48,084	151					47,933			47,933	48,084	151		
Earnings on Investments.....	358,888	362,843	3,955					59,120	36,969	(22,151)	426,605	404,200	(22,405)		
Lease revenue.....								1,000,000	500,000	(500,000)	1,000,000	500,000	(500,000)		
Extracurricular.....	37,617	38,096	479					98,043	63,667	(34,376)	37,617	38,096	479		
Other local revenues.....	57,300	58,023	723					29,348	15,068	(14,280)	57,300	58,023	723		
Revenue from intermediate sources.....	1,037,697	1,049,579	11,882					104,943	53,889	(51,054)	1,093,191	1,090,793	(2,398)		
Intergovernmental - State.....								637,012	603,919	(33,093)	104,943	53,889	(51,054)		
Intergovernmental - Federal.....															
Total revenues.....	13,289,693	12,772,089	(517,604)	1,240,931	637,012	(603,919)	1	1,005,438	628,729	(376,709)	16,077,421	14,579,190	(1,498,231)		
Expenditures:															
Current:															
Instruction:															
Regular.....	4,907,119	4,761,991	145,128		21,505	1,282		22,787	21,505	1,282	4,973,482	4,815,441	158,041		
Special.....	401,375	378,773	22,602		38,205	0		38,205	38,205	0	439,580	416,978	22,602		
Adult/continuing.....	227,865	207,950	19,915		490	330		490	160	330	228,355	208,110	20,245		
Support services:															
Pupil.....	855,523	793,825	61,698		35,902	20,550		816,149	484,150	331,999	1,707,574	1,293,227	414,247		
Instructional staff.....	748,332	636,638	111,694		10,137	8,507		65,525	22,278	43,247	823,994	667,823	156,171		
Board of Education.....	157,549	42,068	115,491			1,650		11,000	10,971	29	168,549	115,520	53,029		
Administration.....	1,064,770	1,007,077	57,693								1,064,770	1,007,677	57,093		
Fiscal.....	559,441	557,198	2,243								559,441	557,198	2,243		
Business.....	135,988	91,694	44,294			0		356,109	160,428	175,681	135,988	91,694	44,294		
Operations and maintenance.....	1,301,946	244,518	1,057,428		2,897	0					1,301,946	244,518	1,057,428		
Pupil transportation.....	737,841	645,170	92,671			1,450					737,841	645,170	92,671		
Central.....	51,682	27,859	23,823		17,001	1,450					51,682	27,859	23,823		
Community services.....	106,269	75,077	31,192		368,108	190,165		709,826	501,363	208,463	106,269	75,077	31,192		
Extracurricular activities.....	455,284	398,259	57,025		753,044	45,976					455,284	398,259	57,025		
Facilities services.....	441,143	422,984	18,159								441,143	422,984	18,159		
Debt service:															
Principal retirement.....					325,804	322,907	2,897				325,804	322,907	2,897		
Interest and fiscal charges.....					281,196	278,695	2,501				281,196	278,695	2,501		
Total expenditures.....	12,396,645	11,329,099	1,067,546	1,248,571	987,188	261,383	3,398	1,982,185	1,211,135	771,050	16,234,601	14,129,024	2,105,577		
Excess (deficiency) of revenues over (under) expenditures.....	893,048	1,442,990	549,942	(7,640)	(350,176)	(342,536)	5,399	(65,641)	(582,406)	994,341	(156,980)	450,166	607,146		
Other financing sources (uses):															
Refund of prior year's expenditures.....	40,678	41,108	430		1,779	947					42,457	42,055	402		
Refund of prior year's receipts.....	(3,000)	(48)	2,952		0	(11)					(3,000)	(59)	2,941		
Operating transfers in.....	111,537	112,780	1,243		259,529	122,918		181,786	181,786	0	532,852	417,484	(115,368)		
Operating transfers (out).....	(467,505)	(466,566)	939		0	(918)					(467,505)	(467,484)	21		
Advances in.....	494,701	500,000	5,299		(500,000)	0					494,701	500,000	5,299		
Advances (out).....											(500,000)	(500,000)	0		
Proceeds from sale of fixed assets.....	656	333	(323)								656	333	(323)		
Total other financing sources (uses).....	177,067	187,607	10,540	(258,692)	(377,064)	(118,372)	0	181,786	181,786	0	100,161	(7,671)	(107,832)		
Excess of revenues and other financing sources over (under) expenditures and other financing (uses).....	1,070,115	1,630,597	560,482	(266,332)	(727,240)	(460,908)	5,399	(976,747)	(582,406)	994,341	(56,819)	442,495	499,314		
Fund balances, July 1.....	4,845,369	4,845,369	0		59,122	59,122		713,913	713,913	0	5,887,245	5,887,245	0		
Prior year encumbrances appropriated.....	510,954	510,954	0		721,363	721,363		376,709	376,709	0	1,609,026	1,609,026	0		
Fund balances, June 30.....	\$6,426,433	\$6,986,920	\$560,487	\$514,153	\$53,245	(\$460,908)	\$5,399	\$384,986	\$508,216	\$394,341	\$7,439,452	\$7,938,766	\$499,314		

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Operating revenues:				
Tuition and fees	\$130			\$130
Sales/charges for services	166,230	\$335,991		502,221
Investment earnings			\$4,865	4,865
Donations			29,607	29,607
Other operating revenues	226			226
Total operating revenues	166,586	335,991	34,472	537,049
Operating expenses:				
Personal services	135,559			135,559
Contract services	6,065	19,128		25,193
Materials and supplies	96,610	33	194	96,837
Depreciation	1,800			1,800
Other		13,039	3,083	16,122
Claims expense		286,465		286,465
Total operating expenses	240,034	318,665	3,277	561,976
Operating income (loss)	(73,448)	17,326	31,195	(24,927)
Nonoperating revenues (loss):				
Operating grants	21,898			21,898
Federal commodities	10,724			10,724
Loss on disposal of assets	(350)			(350)
Interest revenue	2,671			2,671
Total nonoperating revenues	34,943			34,943
Net income (loss) before operating transfers	(38,505)	17,326	31,195	10,016
Operating transfers in	50,000			50,000
Net income	11,495	17,326	31,195	60,016
Retained earnings/fund balance, July 1	61,335	52,792	65,459	179,586
Retained earnings/fund balance, June 30	\$72,830	\$70,118	\$96,654	\$239,602

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Cash flows from operating activities:				
Cash received from tuition and fees	\$130			\$130
Cash received from sales/charges for services	166,230	\$334,701		500,931
Cash received from donations			\$29,607	29,607
Cash payments for personal service	(135,694)			(135,694)
Cash payments for contract services	(6,065)	(19,173)		(25,238)
Cash payments for supplies and materials	(87,302)	(33)	(194)	(87,529)
Cash payments for claims expenses		(291,268)		(291,268)
Cash payments for other expenses		(13,039)	(3,492)	(16,531)
Net cash provided by (used in) operating activities	(62,701)	11,188	25,921	(25,592)
Cash flows from noncapital financing activities:				
Cash received from operating grants	25,242			25,242
Cash received from operating transfers	50,000			50,000
Net cash provided by noncapital financing activities	75,242			75,242
Cash flows from investing activities:				
Interest received	2,671		4,865	7,536
Net cash provided by investing activities	2,671		4,865	7,536
Net increase in cash and cash equivalents	15,212	11,188	30,786	57,186
Cash and cash equivalents at beginning of year	56,873	82,302	65,868	205,043
Cash and cash equivalents at end of year	<u>\$72,085</u>	<u>\$93,490</u>	<u>\$96,654</u>	<u>\$262,229</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(\$73,448)	\$17,326	\$31,195	(\$24,927)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,800			1,800
Federal donated commodities	10,724			10,724
Interest reported as operating income			(4,865)	(4,865)
Changes in assets and liabilities:				
Increase in supplies inventory	(1,219)			(1,219)
Increase in accounts receivable	(226)	(210)		(436)
Decrease in due to students			(409)	(409)
Decrease in accrued wages and benefits	(663)			(663)
Decrease in accounts payable		(45)		(45)
Increase in compensated absences payable	671			671
Decrease in pension obligation payable	(143)			(143)
Decrease in claims payable		(4,803)		(4,803)
Decrease in deferred revenue	(197)	(1,080)		(1,277)
Net cash provided by (used in) operating activities	(62,701)	\$11,188	\$25,921	(25,592)
Noncash investing, capital and financing activities:				
Federal donated commodities	<u>\$10,724</u>			<u>\$10,724</u>

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

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

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

The District ranks as the 540th largest by enrollment among the 660 public and community school districts in the State. It currently operates 1 elementary school, 1 middle school and 1 comprehensive high school. The District employs 64 non-certified, 70 certified (including administrative) full-time and part-time employees to provide services to approximately 833 students in pre-school (age 4) through grade 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

A. The Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes for the organization. The financial statements of the reporting entity include only those of the District (the primary government). The District has no component units. The following organizations are described due to their relationship to the District.

JOINTLY GOVERNED ORGANIZATIONS:

Ohio Schools' Council

The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

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

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

The District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

Cuyahoga Valley Joint Vocational School District

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

Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau among eleven public school districts. The primary function of LNOCA is to provide data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge, dependent upon the software packages used. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valley View, OH 44125.

B. Fund Accounting

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

GOVERNMENTAL FUNDS

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

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

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

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

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

PROPRIETARY FUNDS

Proprietary Funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following are the District's Proprietary Fund Types:

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

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

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

FIDUCIARY FUNDS

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

ACCOUNT GROUPS

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

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

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

C. Measurement Focus/Basis of Accounting

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

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

The modified accrual basis of accounting is followed for Governmental, Expendable Trust, and Agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is sixty days after the June 30 year-end. Revenues accrued at the end of the year include interest, tuition, grants and entitlements (to the extent they are intended to finance the current fiscal year), and accounts (student fees and rent). Current property taxes measurable as of June 30, 2000, and which are intended to finance fiscal 2001 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as advances on future tax settlements are recognized as revenue at year-end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

The District is party to a tax abatement agreement between the Villages of Cuyahoga Heights and Valley View and Birmingham and N.A. Metals. Although the District was owed money by the Villages at the end of the year, it was not measurable or available. Amounts received subsequent to the balance sheet date and beyond the available period were recorded as deferred revenue. As of June 30, 2000, the District has received a total of \$590,760 as a result of this agreement.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

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

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

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

D. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2000 is as follows:

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Cuyahoga County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2000.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Although the legal level of budgetary control was established at the fund level of expenditures, the budgetary statements present comparisons at the fund and function level of expenditures as elected by the District Treasurer. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. All funds, other than Agency funds, are legally required to be budgeted and appropriated. Short-term interfund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

6. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2000 in the following amounts:

	<u>Increase</u>
General Fund	\$ 219,628
Special Revenue Funds	901,708
Capital Projects Funds	1,050,476
Expendable Trust	2,400
Enterprise Funds	64,500
Internal Service Funds	101,344
Nonexpendable Trust	25,000
Total	<u>\$2,365,056</u>

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds, including Proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" (both unrestricted and restricted) on the combined balance sheet.

During fiscal 2000, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), repurchase agreements and certificates of deposit. All investments of the District had a maturity date of two years or less from the date of purchase.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2000.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

Calculation of the Net Decrease in the Fair Value of Investments - Aggregate Method

	General Fund
Fair value at June 30, 2000	\$ 0
Add: Proceeds of investments sold and matured in fiscal 2000	800,000
Less: Purchase of investments in fiscal 2000	0
Less: Fair value at June 30, 1999	<u>(800,752)</u>
Change in fair value of investments	<u>\$ (752)</u>

By policy of the Board of Education, investment earnings are assigned to the General fund, Permanent Improvement fund, Building fund, Food Service fund, Nonexpendable Trust fund, and Expendable Trust fund. The following fund was credited more interest than would have been received based upon its share of the District's investments during fiscal 2000:

	Interest Actually Received	Interest Based upon Share of Investments	Interest Assigned from Other Funds
General Fund	\$345,136	\$288,936	\$56,200

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

F. Materials and Supplies Inventory

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

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

G. Prepayments

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

H. Fixed Assets and Depreciation

1. General Fixed Assets Account Group

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

2. Proprietary Funds

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

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

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

I. Intergovernmental Revenues

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

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Debt Service Fund

State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

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

Capital Projects Fund

School Net

Reimbursable Grants

General Fund

School Bus Purchases
Driver Education
Vocational Education Travel/Salary

Proprietary Funds

National School Lunch Program
National School Milk Program
Adult Education

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

Grants and entitlements amounted to approximately 8% of the District's operating revenue during the 2000 fiscal year.

J. Compensated Absences

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

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

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

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

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

K. Long-Term Obligations

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

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

L. Fund Equity

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

M. Statutory Reserves

The District is required by State law to set aside certain (cash-basis) General fund revenue amounts, as defined by statute, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 1999	\$ 0	\$ 0	\$146,093
Current year set-aside requirement	333,513	333,513	111,173
Current year offsets	0	0	0
Qualifying disbursements	<u>(842,542)</u>	<u>(1,727,791)</u>	<u>0</u>
Total	<u>(509,029)</u>	<u>(1,394,278)</u>	<u>257,226</u>
Balance carried forward to FY 2001	<u>\$ 509,029</u>	<u>\$ 0</u>	<u>\$257,226</u>

The District had offsets and qualifying disbursements during the year for textbooks that reduced the set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement of future years for the textbooks set-aside. Although the District had offsets and qualifying disbursements during the year that reduced the capital improvements set-aside amount below zero, this extra amount may not be used to reduce the set-aside requirement of future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

During fiscal year 2000, the District elected to set-aside a total of \$111,480 in excess of the statutory requirement for budget stabilization. This amount is reported as designated fund balance on the combined balance sheet.

A schedule of the restricted assets at June 30, 2000 follows:

Amount restricted for budget stabilization	<u>\$257,266</u>
Total restricted assets	<u>\$257,266</u>

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

N. Interfund Transactions

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

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

An analysis of the District's interfund transactions for fiscal year 2000 is presented in Note 5.

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

O. Statement of Cash Flows

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

P. Financial Reporting for Proprietary and Similar Fund Types

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

Q. Restricted Assets

Restricted assets in the General fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction and/or for statutorily specified purposes. A fund balance reserve has also been established. See Note 2. M. for statutory reserves. Cash is not restricted for designations of fund balance, because designations are not required by statute, and may be changed or eliminated at management's discretion.

R. Estimates

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

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

S. Memorandum Only - Total Columns

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

Fund balances at June 30, 2000 included the following individual fund deficits:

	<u>Deficit Balance</u>
<u>Special Revenue Funds</u>	
District Managed Student Activity	\$(234,280)
Teacher Development	(18)
Title VI	(14)
Drug-Free School Grant	(16)
Class Size Reduction Grant	(52)

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

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

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

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

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

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

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

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

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

Cash with Fiscal Agent: At year end, \$79,381 was on deposit with the District's fiscal agent for insurance claims and natural gas purchases and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the combined balance sheet as "Equity in Pooled Cash and Cash Equivalents".

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

Deposits: At year-end the carrying amount of the District's deposits was \$6,099,744 and the bank balance was \$6,487,728 (both amounts are exclusive of payroll clearance accounts, but include \$6,400,000 in non-negotiable certificates of deposit). Of the bank balance:

1. \$187,728 was covered by federal depository insurance.
2. \$6,300,000 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District held to a successful claim by the FDIC.

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

	Category of Risk 3	Fair Value
Repurchase Agreement	\$1,240,000	\$1,240,000
Not Subject to Categorization:		
Investment in State		
Treasurer's Investment Pool		1,749,447
Total Investments	\$1,240,000	\$2,989,447

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

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

	<u>Equity in Pooled Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$ 9,010,730	\$ 0
Investments of the Cash Management Pool:		
Repurchase Agreement	(1,240,000)	1,240,000
State Treasurer's Investment Pool	(1,749,447)	1,749,447
Cash on Hand	(920)	
Cash with Fiscal Agent	79,381	
 GASB Statement No. 3	 <u>\$ 6,099,744</u>	 <u>\$2,989,447</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. The following is a reconciliation of the District's operating transfers for fiscal year 2000:

	<u>Transfers In</u>	<u>Transfers (Out)</u>
General Fund		\$(353,786)
<u>Special Revenue Funds</u>		
District Managed Student Activity	\$112,000	
Management Information Systems	10,000	
Total Special Revenue Funds	122,000	
Debt Service Fund	181,786	
<u>Enterprise Fund</u>		
Food Service	50,000	
Totals	<u>\$353,786</u>	<u>\$(353,786)</u>

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. During fiscal 1999, the General fund transferred \$300,000 the District Managed Student Activity fund to cover a temporary shortfall as a result of construction on the outdoor track. The District Managed Student Activity fund will repay the General fund \$50,000 per year beginning in fiscal 2004.

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

NOTE 6 - PROPERTY TAXES

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

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

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

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

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2000 taxes were collected are as follows:

	<u>1999 Second-Half Collections</u>		<u>2000 First-Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$229,178,180	46.10	\$239,504,790	46.90
Public Utility Personal	49,539,070	10.00	45,215,580	8.90
Tangible Personal Property	<u>217,943,263</u>	<u>43.90</u>	<u>225,461,771</u>	<u>44.20</u>
	<u>\$496,660,513</u>	<u>100.00</u>	<u>\$510,182,141</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation:				
Operations	\$22.90		\$22.90	
Debt Service	1.00		1.00	

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

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue.

Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end. Available tax advances at June 30, 2000 totaled \$207,998 in the General fund and \$9,278 in the Debt Service fund.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 7 - RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts (rent and student fees), and intergovernmental grants and entitlements (to the extent such grants and/or entitlements relate to the current fiscal year). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - Current	\$10,965,653
Taxes - Delinquent	1,662,672
Accounts	10,400
Accrued interest	250,739
 <u>Debt Service Fund</u>	
Taxes - Current	489,522
Taxes - Delinquent	73,173

NOTE 8 - FIXED ASSETS

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

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2000</u>
Land/Improvements	\$ 1,193,875	\$ 772,584	\$ (31,322)	\$ 1,935,137
Buildings	12,700,926	116,501	(13,560)	12,803,867
Furniture/Equipment	2,420,700	411,792	(383,129)	2,449,363
Vehicles	752,208	67,859	(25,481)	794,586
Construction in progress	<u>450,454</u>	<u>203,210</u>	<u>(277,699)</u>	<u>375,965</u>
 Total	 <u>\$17,518,163</u>	 <u>\$1,571,946</u>	 <u>\$(731,191)</u>	 <u>\$18,358,918</u>

A summary of the Proprietary Fund fixed assets at June 30, 2000 follows:

Furniture and Equipment	\$ 90,880
Less Accumulated Depreciation	<u>(75,411)</u>
Net Fixed Assets	<u>\$ 15,469</u>

The District's construction in progress at June 30, 2000 consisted largely of replacement of the District's doors and windows.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

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

Capital lease payments have been reclassified and are reflected as debt service expenditures in the Combined Financial Statement of Revenues, Expenditures and Changes in Fund Balances-All Governmental Fund Types and Expendable Trust Fund. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the General Fixed Asset Account Group in the amount of \$143,605, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the General Long-Term Obligations Account Group. Principal payments in the 2000 fiscal year totaled \$38,473. This amount is reflected as debt service principal retirement in the General Fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2000.

General Long-Term Obligations

<u>Year Ending June 30</u>	<u>Copiers</u>
2001	\$35,229
2002	25,790
2003	<u>387</u>
Total future minimum lease payments	<u>61,406</u>
Less: Amount Representing Interest	<u>(4,285)</u>
Present Value of Future Minimum Lease Payments	<u>\$57,121</u>

The District does not have capitalized lease obligations after fiscal year 2003.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 10 - LONG-TERM DEBT

All current obligation bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service fund. The source of payment is derived from a current 1.00 mill bonded debt tax levy.

A. The following is a description of the Cuyahoga Heights Local School District bonds outstanding as of June 30, 2000:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 07/01/1999</u>	<u>Retired in Fiscal 2000</u>	<u>Bonds Outstanding 06/30/2000</u>
Construction Bond	5.63%	03/01/93	12/01/13	\$3,985,000	\$(195,000)	\$3,790,000
Energy Conservation Bond	5.15%	04/18/96	12/01/05	<u>1,046,187</u>	<u>(127,907)</u>	<u>918,280</u>
Total				<u>\$5,031,187</u>	<u>\$(322,907)</u>	<u>\$4,708,280</u>

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

<u>Year Ending June 30</u>	<u>Principal on General Obligation Improvement Bonds</u>	<u>Interest on General Obligation Improvement Bonds</u>	<u>Principal on Energy Conservation Bonds</u>	<u>Interest on Energy Conservation Bonds</u>	<u>Total</u>
2001	\$ 205,000	\$ 204,525	\$134,494	\$ 47,291	\$ 591,310
2002	215,000	190,248	141,421	40,365	587,034
2003	225,000	179,795	148,704	33,082	586,581
2004	240,000	168,395	156,362	25,423	590,180
2005	255,000	155,765	164,415	17,371	592,551
2006 - 2010	1,505,000	548,950	172,884	8,903	2,235,737
2011 - 2013	<u>1,145,000</u>	<u>100,463</u>			<u>1,245,463</u>
Total	<u>\$3,790,000</u>	<u>\$1,548,141</u>	<u>\$918,280</u>	<u>\$172,435</u>	<u>\$6,428,856</u>

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 10 - LONG-TERM DEBT - (Continued)

C. During the year ended June 30, 2000, the following changes occurred in liabilities reported in the General Long-Term Obligations Account Group. Compensated absences will ultimately be paid from the fund from which the employee is paid.

	<u>Balance</u> <u>07/01/1999</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>06/30/2000</u>
Compensated Absences	\$ 952,467	\$187,525	\$(107,319)	\$1,032,673
General Obligation Debt	5,031,187		(322,907)	4,708,280
Capital Leases	<u>95,594</u>	<u> </u>	<u>(38,473)</u>	<u>57,121</u>
Total	<u>\$6,079,248</u>	<u>\$187,525</u>	<u>\$(468,699)</u>	<u>\$5,798,074</u>

D. Legal Debt Margin

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

The effects of these debt limitations at June 30, 2000 are a voted debt margin of \$42,526,056 (including available funds of \$399,663), an unvoted debt margin of \$510,182, and an unvoted energy conservation debt margin of \$3,673,359.

NOTE 11 - RISK MANAGEMENT

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 11 - RISK MANAGEMENT - (Continued)

All funds of the District participate in the program and make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed cost (premiums for stop-loss coverage and medical conversion and administrative fees and services). The District's independent third-party administrator has actuarially determined that \$99,887 is a good and sufficient provision for all unmatured claim obligations (including both reported but unpaid claims and incurred but not reported claims, as well as an allowance for claim settlement expenses on the estimated unpaid claims) as of June 30, 2000.

The Board of Trustees of OSC, with assistance of actuarial analysis, establishes premium rates for medical, dental, and prescription drug insurance, based upon the specific plan negotiated by each member district and its employees. Premiums are placed in a Trust Fund controlled by the Board of Trustees and invested prudently to produce income which additionally benefits the consortium. The "reserves" in the Trust Fund include monies necessary to pay the "claims run-out", should the consortium ever be dissolved. For the 1999-00 plan year, the District's reserves amounted to \$76,953, which is included in the claims payable total. Because the consortium is organized under Internal Revenue Service Code Section 501(c)(9), investment income is tax exempt.

The claims liability of \$99,887 reported in the Fund at June 30, 2000 is based on the provisions of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in the fund's claims liability are as follows:

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 11 - RISK MANAGEMENT - (Continued)

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

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible (Per Occurrence)</u>	<u>Coverage Limitations</u>
Ohio Casualty Insurance Co.	Blanket Bond	\$ 100	\$ 5,000 per employee
Crum & Forster	Commercial Property	\$ 1,000	\$ 35,867,434
Travelers Insurance Co.	Boiler & Machinery	\$ 1,000	\$ 30,000,000
Crum & Forster	Inland Marine	\$ 250	Varies
Nationwide Insurance Co.	Fleet	\$ 250	\$ 2,000,000
Nationwide Insurance Co.	General & Public Officials Liability	\$ 0	\$ 2,000,000 per claim \$ 5,000,000 annual aggregate
Crum & Forster	Crime	\$ 250	\$ 5,000
Ohio Casualty Insurance Co.	Treasurer's Bond	\$ 0	\$ 50,000
Ohio Casualty Insurance Co.	Public Employee Dishonesty Bond	\$ 1,000	\$250,000

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no reduction in amounts of insurance coverage from fiscal 1999.

OSBA WORKER'S COMPENSATION GROUP RATING

For fiscal year 2000, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains three Enterprise funds to account for the operations of food service, uniform school supplies and adult education. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 2000:

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>Total Enterprise Funds</u>
Operating Revenue	\$164,298	\$2,158	\$ 130	\$166,586
Depreciation Expense	1,800			1,800
Operating Income (Loss)	(73,917)	647	(178)	(73,448)
Non-operating Revenue:				
Operating grants	21,898			21,898
Donated federal commodities	10,724			10,724
Operating Transfers In	50,000			50,000
Net Income (Loss)	11,026	647	(178)	11,495
Net Working Capital	64,425	4,909	1,522	70,856
Fixed Assets:				
Deletions	4,206			4,206
Total Assets	93,165	4,909	1,523	99,597
Long-Term Liabilities				
Payable From Fund Revenues	13,495			13,495
Total Fund Equity	66,399	4,909	1,522	72,830
Encumbrances outstanding as of 6/30/00	433			433

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate, which was 14 percent for 2000; 5.55 percent was the portion to fund pension obligations. The contribution rates of plan members and employers are established and may be amended by the School Employees Retirement Board, up to maximum amounts allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$291,371, \$232,786, and \$211,988, respectively; 100 percent has been contributed for all three fiscal years.

B. State Teachers Retirement System

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$750,942, \$628,036, and \$530,634, respectively; 100 percent has been contributed for all three fiscal years.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the SERS/STRS. As of June 30, 2000, members of the Board of Education have elected the School Employees Retirement System.

NOTE 14 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$429,110 during the 2000 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.783 billion at June 30, 1999 (the latest information available). As of July 1, 1999, eligible benefit recipients totaled 95,796. For the fiscal year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

For this fiscal year, employer contributions to fund health care benefits were 8.45 percent of covered payroll, an increase from 6.30 percent for fiscal 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. For the District, the amount to fund health care benefits, including the surcharge, equaled \$191,644 during the 2000 fiscal year. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999 SERS had net assets available for payment of health care benefits of \$188 million. SERS has approximately 51,000 participants currently receiving health care benefits.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

The Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for Governmental funds (GAAP basis).

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

	Governmental Fund Types			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
Budget Basis	\$1,630,597	\$(727,240)	\$121,544	\$(582,406)
Net Adjustment for Revenue Accruals	(676,918)		(55,870)	3,057
Net Adjustment for Expenditure Accruals	214,456	371		(15,702)
Net Adjustment for Other Financing Sources/(Uses)	(541,060)	499,064		
Adjustment for Encumbrances	<u>398,150</u>	<u>41,501</u>	<u> </u>	<u>315,301</u>
GAAP Basis	<u>\$1,025,225</u>	<u>\$(186,304)</u>	<u>\$ 65,674</u>	<u>\$(279,750)</u>

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General fund or other applicable funds. However in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2000.

B. Litigation

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

C. School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 2000, the District received \$439,514 of school foundation support for its General fund.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 16 - CONTINGENCIES - (Continued)

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the (Ohio) Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly..." including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

NOTE 17 - LEASE AGREEMENT

During fiscal 1999, the Board of Education entered into a lease agreement with Eller Media. Eller Media is leasing land from the District for outdoor advertising. The total revenue to be received by the District is \$1.62 million dollars over fifteen years. The first payment of \$500,000 was received in July, 1999. The District will receive \$50,000 per year in years 6 through 13 of the lease. \$220,000 is due in year 14 and \$500,000 in year 15. The lease is cancelable by either party with a 30 day notice. Thus, no accrual has been recorded on the Combined Balance Sheet.

NOTE 18 - CONTRACTUAL COMMITMENTS

At June 30, 2000, the District had the following outstanding contractual commitment:

- \$68,726 for parking lot resurfacing, to be paid from the General fund.

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

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

GENERAL FUND

Section 5705.09 Revised Code

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

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

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
From local sources:			
Taxes	\$11,750,258	\$11,215,464	(\$534,794)
Tuition	47,933	48,084	151
Earnings on investments	358,888	362,843	3,955
Other local revenues	37,617	38,096	479
Revenue from intermediate sources	57,300	58,023	723
Intergovernmental-State	1,037,697	1,049,579	11,882
Total Revenues	<u>13,289,693</u>	<u>12,772,089</u>	<u>(517,604)</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	3,601,134	3,593,945	7,189
Fringe benefits	1,076,531	969,642	106,889
Purchased services	27,997	22,183	5,814
Supplies	157,140	140,675	16,465
Capital outlay	42,146	33,875	8,271
Other	2,171	1,671	500
Total instruction-regular	<u>4,907,119</u>	<u>4,761,991</u>	<u>145,128</u>
Instruction-special			
Purchased services	388,201	368,170	20,031
Supplies	12,874	10,376	2,498
Capital outlay	250	227	23
Other	50	0	50
Total instruction-special	<u>401,375</u>	<u>378,773</u>	<u>22,602</u>
Adult/continuing instruction			
Purchased services	227,865	207,950	19,915
Total adult/continuing instruction	<u>227,865</u>	<u>207,950</u>	<u>19,915</u>
Support services-pupil			
Salaries and wages	484,599	476,050	8,549
Fringe benefits	143,984	141,190	2,794
Purchased services	165,211	129,862	35,349
Supplies	42,171	28,199	13,972
Capital outlay	8,228	7,763	465
Other	11,330	10,761	569
Total support services-pupil	<u>855,523</u>	<u>793,825</u>	<u>61,698</u>
Support services-instructional staff			
Salaries and wages	353,877	346,830	7,047
Fringe benefits	162,408	105,654	56,754
Purchased services	181,043	147,806	33,237
Supplies	42,055	30,133	11,922
Capital outlay	7,865	5,131	2,734
Other	1,084	1,084	0
Total support services-instructional staff	<u>748,332</u>	<u>636,638</u>	<u>111,694</u>

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support services-Board of Education			
Salaries and wages	\$18,000	\$14,480	\$3,520
Fringe benefits	2,798	2,254	544
Purchased services	26,900	10,961	15,939
Supplies	2,947	2,482	465
Other	106,904	11,881	95,023
Total support services-Board of Education	157,549	42,058	115,491
Support services-administration			
Salaries and wages	618,108	614,102	4,006
Fringe benefits	248,303	223,124	25,179
Purchased services	148,196	133,762	14,434
Supplies	17,882	16,317	1,565
Capital outlay	4,079	1,436	2,643
Other	28,202	18,936	9,266
Total support services-administration	1,064,770	1,007,677	57,093
Support services-fiscal			
Salaries and wages	168,077	167,912	165
Fringe benefits	71,660	70,907	753
Purchased services	44,597	33,789	10,808
Supplies	8,304	7,421	883
Capital outlay	5,703	4,667	1,036
Other	261,100	252,502	8,598
Total support services-fiscal	559,441	537,198	22,243
Support services-business			
Purchased services	109,669	68,871	40,798
Supplies	22,194	18,698	3,496
Other	4,125	4,125	0
Total support services-business	135,988	91,694	44,294
Support services-operations and maintenance			
Salaries and wages	595,175	537,080	58,095
Fringe benefits	245,343	185,086	60,257
Purchased services	531,456	441,225	90,231
Supplies	132,960	112,292	20,668
Capital outlay	41,530	26,263	15,267
Total support services-operations and maintenance	1,546,464	1,301,946	244,518
Support services-pupil transportation			
Salaries and wages	319,316	299,894	19,422
Fringe benefits	117,895	113,277	4,618
Purchased services	54,101	49,839	4,262
Supplies	63,761	49,434	14,327
Capital outlay	182,768	132,726	50,042
Total support services-pupil transportation	737,841	645,170	92,671

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support services-central:			
Salaries and wages	\$5,000	\$3,000	\$2,000
Fringe benefits	766	447	319
Purchased services	38,167	20,786	17,381
Supplies	7,749	3,626	4,123
Total support services-central	<u>51,682</u>	<u>27,859</u>	<u>23,823</u>
Community services:			
Salaries and wages	48,850	46,305	2,545
Fringe benefits	23,944	9,573	14,371
Purchased services	21,575	12,000	9,575
Supplies	3,300	1,102	2,198
Capital outlay	8,600	6,097	2,503
Total community services	<u>106,269</u>	<u>75,077</u>	<u>31,192</u>
Extracurricular activities:			
Salaries and wages	346,623	325,795	20,828
Fringe benefits	81,649	50,067	31,582
Purchased services	12,300	10,152	2,148
Supplies	400	5	395
Capital outlay	200	0	200
Other	14,112	12,240	1,872
Total extracurricular activities	<u>455,284</u>	<u>398,259</u>	<u>57,025</u>
Facilities services:			
Purchased services	136,423	136,422	1
Capital outlay	304,720	286,562	18,158
Total facilities services	<u>441,143</u>	<u>422,984</u>	<u>18,159</u>
Total expenditures	<u>12,396,645</u>	<u>11,329,099</u>	<u>1,067,546</u>
Excess of revenues over expenditures	<u>893,048</u>	<u>1,442,990</u>	<u>549,942</u>
Other financing sources (uses):			
Refund of prior year's expenditures	40,678	41,108	430
Refund of prior year's receipts	(3,000)	(48)	2,952
Operating transfers in	111,537	112,780	1,243
Operating transfers out	(467,505)	(466,566)	939
Advances in	494,701	500,000	5,299
Proceeds of sale of fixed assets	656	333	(323)
Total other financing sources (uses)	<u>177,067</u>	<u>187,607</u>	<u>10,540</u>
Excess of revenues and other financing sources over expenditures and other financing (uses)	<u>1,070,115</u>	<u>1,630,597</u>	<u>560,482</u>
Fund balance, July 1	4,845,369	4,845,369	0
Prior year encumbrances appropriated	510,954	510,954	0
Fund balance, June 30	<u>\$6,426,438</u>	<u>\$6,986,920</u>	<u>\$560,482</u>

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

SPECIAL REVENUE FUNDS

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

Public School Support Fund

Section 5705.12, Revised Code

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

Other Grants Fund

Sections 5705.09 and 5705.13, Revised Code

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

District Managed Student Activity Fund

Section 3313.062

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

Teacher Development Fund

Current Budget Bill
appropriation line item 200-527

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

Management Information Systems Fund

Am. Sub. HB 111

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

SchoolNet Professional Development

Section 5705.09, Revised Code

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

Ohio Reads Fund

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

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

NDEA Title II Fund

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

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

Title I Fund

PL 97-35; Title I ESEA 1965

To account for funds which are to: 1) establish or improve programs designed to meet the special educational need of migratory children of migratory agricultural workers or migratory fishermen and 2) enable State education agencies to coordinate their state migrant education programs and local projects with similar programs and projects in other states, including the transfer of school records of other information about children of migrant workers.

Title VI Fund

PL 97-35; ESEA 1965

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

Drug-Free School Grant Fund

Catalog of Federal Domestic Assistance #84-166

To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination of activities.

Telecommunications Act Grant ("E-Rate")

Catalog of federal Domestic Assistance #88.001

To account for a federal grant, which is paid directly to the telecommunications provider. These funds will be used to pay for telecommunication activities.

Class Size Reduction

Catalog of Federal Domestic Assistance #84.340

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
FOR ALL SPECIAL REVENUE FUNDS
JUNE 30, 2000

	PUBLIC SCHOOL SUPPORT	OTHER GRANTS	DISTRICT MANAGED STUDENT ACTIVITY
Assets:			
Equity in pooled cash and cash equivalents	\$9,026	\$14,004	\$66,272
Total Assets	<u>\$9,026</u>	<u>\$14,004</u>	<u>\$66,272</u>
Liabilities:			
Accounts payable	\$203		\$552
Accrued wages and benefits			
Due to other funds			300,000
Total Liabilities	<u>203</u>	<u>\$0</u>	<u>300,552</u>
Fund Equity:			
Fund Balances:			
Reserved for encumbrances	304		38,578
Unreserved-undesignated	8,519	14,004	(272,858)
Total Fund Equity	<u>8,823</u>	<u>14,004</u>	<u>(234,280)</u>
Total Liabilities and Fund Equity	<u>\$9,026</u>	<u>\$14,004</u>	<u>\$66,272</u>

TEACHER DEVELOPMENT	MANAGEMENT INFORMATION SYSTEMS	SCHOOLNET PROFESSIONAL DEVELOPMENT	OHIO READS	NDEA TITLE II
	\$1,144	\$1,000	\$2,000	\$1,282
\$0	\$1,144	\$1,000	\$2,000	\$1,282
			\$1,268	
\$18	\$26			
18	26	\$0	1,268	\$0
			728	
(18)	1,118	1,000	4	1,282
(18)	1,118	1,000	732	1,282
\$0	\$1,144	\$1,000	\$2,000	\$1,282

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
FOR ALL SPECIAL REVENUE FUNDS
JUNE 30, 2000

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>DRUG-FREE SCHOOL GRANT</u>
Assets:			
Equity in pooled cash and cash equivalents			\$17
Total Assets	<u>\$0</u>	<u>\$0</u>	<u>\$17</u>
Liabilities:			
Accounts payable			\$17
Accrued wages and benefits		\$14	16
Due to other funds			
Total Liabilities	<u>\$0</u>	<u>14</u>	<u>33</u>
Fund Equity:			
Fund Balances:			
Reserved for encumbrances			
Unreserved-undesignated		(14)	(16)
Total Fund Equity	<u>0</u>	<u>(14)</u>	<u>(16)</u>
Total Liabilities and Fund Equity	<u>\$0</u>	<u>\$0</u>	<u>\$17</u>

<u>TELECOM- MUNICATIONS ACT GRANT</u>	<u>CLASS SIZE REDUCTION</u>	<u>TOTAL</u>
		\$94,745
<u>\$0</u>	<u>\$0</u>	<u>\$94,745</u>
		\$2,040
	\$52	126
		300,000
<u>\$0</u>	<u>52</u>	<u>302,166</u>
		39,610
	(52)	(247,031)
<u>0</u>	<u>(52)</u>	<u>(207,421)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$94,745</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	PUBLIC SCHOOL SUPPORT	OTHER GRANTS	DISTRICT MANAGED STUDENT ACTIVITY
Revenues:			
From local sources:			
Earnings on investments			\$4,388
Lease revenue			500,000
Extracurricular	\$7,270		56,397
Intergovernmental - State			
Intergovernmental - Federal			
Total Revenues	<u>7,270</u>	<u>\$0</u>	<u>560,785</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Special			
Adult/continuing		158	
Support services:			
Pupil	4,703	5,082	
Instructional staff	1,177	131	
Operations and maintenance			
Central			
Community services	133		
Extracurricular activities			145,843
Facilities services			699,949
Total Expenditures	<u>6,013</u>	<u>5,371</u>	<u>845,792</u>
Excess (deficiency) of			
Revenues over (under) expenditures	<u>1,257</u>	<u>(5,371)</u>	<u>(285,007)</u>
Other financing sources:			
Operating transfers in			112,000
Total other financing sources	<u>0</u>	<u>0</u>	<u>112,000</u>
Excess (deficiency) of revenues and			
other financing sources over (under)			
expenditures	1,257	(5,371)	(173,007)
Fund balance, July 1	7,566	19,375	(61,273)
Fund balance (deficit), June 30	<u>\$8,823</u>	<u>\$14,004</u>	<u>(\$234,280)</u>

<u>TEACHER DEVELOPMENT</u>	<u>MANAGEMENT INFORMATION SYSTEMS</u>	<u>SCHOOLNET PROFESSIONAL DEVELOPMENT</u>	<u>OHIO READS</u>	<u>NDEA TITLE II</u>
\$5,068	\$5,000	\$3,000	\$2,000	
<u>5,068</u>	<u>5,000</u>	<u>3,000</u>	<u>2,000</u>	<u>\$0</u>
8,932		2,000		918
5,197			1,268	
	15,540			
<u>14,129</u>	<u>15,540</u>	<u>2,000</u>	<u>1,268</u>	<u>918</u>
<u>(9,061)</u>	<u>(10,540)</u>	<u>1,000</u>	<u>732</u>	<u>(918)</u>
	10,000			
<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
(9,061)	(540)	1,000	732	(918)
<u>9,043</u>	<u>1,658</u>			<u>2,200</u>
<u>(\$18)</u>	<u>\$1,118</u>	<u>\$1,000</u>	<u>\$732</u>	<u>\$1,282</u>

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	TITLE I	TITLE VI	DRUG-FREE SCHOOL GRANT
Revenues:			
From local sources:			
Earnings on investments			
Lease revenue			
Extracurricular			
Intergovernmental - State			
Intergovernmental - Federal	\$34,089	\$3,901	\$3,330
Total Revenues	<u>34,089</u>	<u>3,901</u>	<u>3,330</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Special	34,089	4,119	
Adult/continuing			
Support services:			
Pupil			3,456
Instructional staff			
Operations and maintenance			
Central			
Community services			
Extracurricular activities			
Facilities services			
Total Expenditures	<u>34,089</u>	<u>4,119</u>	<u>3,456</u>
Excess (deficiency) of Revenues over (under) expenditures	<u>0</u>	<u>(218)</u>	<u>(126)</u>
Other financing sources:			
Operating transfers in			
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures		(218)	(126)
Fund balance (deficit), July 1	<u>0</u>	<u>204</u>	<u>110</u>
Fund balance (deficit), June 30	<u>\$0</u>	<u>(\$14)</u>	<u>(\$16)</u>

<u>TELECOM- MUNICATIONS ACT GRANT</u>	<u>CLASS SIZE REDUCTION</u>	<u>TOTAL</u>
		\$4,388
		500,000
		63,667
		15,068
<u>\$2,897</u>	<u>\$9,672</u>	<u>53,889</u>
<u>2,897</u>	<u>9,672</u>	<u>637,012</u>
	9,724	21,574
		38,208
		158
		13,241
2,897		7,773
		2,897
		15,540
		133
		145,843
<u>2,897</u>	<u>9,724</u>	<u>699,949</u>
<u>2,897</u>	<u>9,724</u>	<u>945,316</u>
<u>0</u>	<u>(52)</u>	<u>(308,304)</u>
		122,000
<u>0</u>	<u>0</u>	<u>122,000</u>
	(52)	(186,304)
<u>0</u>	<u>0</u>	<u>(21,117)</u>
<u>\$0</u>	<u>(\$52)</u>	<u>(\$207,421)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Extracurricular	\$14,160	\$7,269	(\$6,891)
Total revenues	<u>14,160</u>	<u>7,269</u>	<u>(6,891)</u>
Expenditures:			
Current:			
Support services-pupil			
Purchased services	4,589	1,051	3,538
Supplies	3,427	2,088	1,339
Other	6,315	3,698	2,617
Total support services-pupil	<u>14,331</u>	<u>6,837</u>	<u>7,494</u>
Support services-instructional staff			
Fringe benefits	2,540	1,176	1,364
Total support services-instructional staff	<u>2,540</u>	<u>1,176</u>	<u>1,364</u>
Total expenditures	<u>16,871</u>	<u>8,013</u>	<u>8,858</u>
Deficiency of revenues under expenditures	<u>(2,711)</u>	<u>(744)</u>	<u>1,967</u>
Fund balance, July 1	9,186	9,186	0
Prior year encumbrances appropriated	210	210	0
Fund balance, June 30	<u>\$6,685</u>	<u>\$8,652</u>	<u>\$1,967</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 OTHER GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction-adult/continuing			
Salaries and wages	400	125	275
Fringe benefits	90	35	55
Total instruction-adult/continuing	490	160	330
Support services-pupil			
Purchased services	9,010	4,742	4,268
Supplies	8,100	50	8,050
Capital outlay	1,000	290	710
Total support services-pupil	18,110	5,082	13,028
Support services-instructional staff			
Fringe benefits	200	1	199
Purchased services	200	136	64
Total support services-instructional staff	400	137	263
Total expenditures	19,000	5,379	13,621
Deficiency of revenues under expenditures	(19,000)	(5,379)	13,621
Fund balance, July 1	19,383	19,383	0
Fund balance, June 30	\$383	\$14,004	\$13,621

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$8,597	\$4,388	(\$4,209)
Lease revenue	1,000,000	500,000	(500,000)
Extracurricular	83,883	56,398	(27,485)
Total revenues	1,092,480	560,786	(531,694)
Expenditures:			
Extracurricular activities:			
Salaries and wages	100	65	35
Fringe benefits	20	10	10
Purchased services	66,558	57,234	9,324
Supplies	91,496	56,022	35,474
Capital outlay	41,847	39,690	2,157
Other	168,087	24,922	143,165
Total extracurricular activities	368,108	177,943	190,165
Facilities services:			
Purchased services	38,310	12,181	26,129
Capital outlay	714,734	694,887	19,847
Total facilities services	753,044	707,068	45,976
Total expenditures	1,121,152	885,011	236,141
Deficiency of revenues under expenditures	(28,672)	(324,225)	(295,553)
Other financing sources (uses):			
Operating transfers in	218,253	112,000	(106,253)
Refund of prior year expenditures	1,779	947	(832)
Advances (out)	(500,000)	(500,000)	0
Total other financing sources (uses)	(279,968)	(387,053)	(107,085)
Deficiency of revenues and other financing sources under expenditures and other financing (uses)	(308,640)	(711,278)	(402,638)
Fund balance, July 1	17,267	17,267	0
Prior year encumbrances appropriated	721,153	721,153	0
Fund balance, June 30	\$429,780	\$27,142	(\$402,638)

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 TEACHER DEVELOPMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Intergovernmental-State	\$9,871	\$5,068	(\$4,803)
Total revenues	<u>9,871</u>	<u>5,068</u>	<u>(4,803)</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	7,916	7,528	388
Fringe benefits	999	1,387	(388)
Total instruction-regular	<u>8,915</u>	<u>8,915</u>	<u>0</u>
Support services-instructional staff			
Purchased services	5,197	5,197	0
Total support services-instructional staff	<u>5,197</u>	<u>5,197</u>	<u>0</u>
Total expenditures	<u>14,112</u>	<u>14,112</u>	<u>0</u>
Deficiency of revenues under expenditures	<u>(4,241)</u>	<u>(9,044)</u>	<u>(4,803)</u>
Fund balance, July 1	9,044	9,044	0
Fund balance, June 30	<u>\$4,803</u>	<u>\$0</u>	<u>(\$4,803)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$9,739	\$5,000	(\$4,739)
Total revenues	<u>9,739</u>	<u>5,000</u>	<u>(4,739)</u>
Expenditures:			
Current:			
Support services-central			
Salaries and wages	12,161	12,320	(159)
Fringe benefits	2,067	1,930	137
Purchased services	2,773	1,022	1,751
Supplies		279	(279)
Total support services-central	<u>17,001</u>	<u>15,551</u>	<u>1,450</u>
Total expenditures	<u>17,001</u>	<u>15,551</u>	<u>1,450</u>
Deficiency of revenues under expenditures	<u>(7,262)</u>	<u>(10,551)</u>	<u>(3,289)</u>
Other financing sources (uses):			
Operating transfers in	21,276	10,918	(10,358)
Operating transfers (out)	0	(918)	(918)
Total other financing sources (uses)	<u>21,276</u>	<u>10,000</u>	<u>(11,276)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	<u>14,014</u>	<u>(551)</u>	<u>(14,565)</u>
Fund balance, July 1	1,696	1,696	0
Fund balance, June 30	<u>\$15,710</u>	<u>\$1,145</u>	<u>(\$14,565)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$5,843	\$3,000	(\$2,843)
Total revenues	<u>5,843</u>	<u>3,000</u>	<u>(2,843)</u>
Expenditures:			
Current:			
Instruction-regular			
Purchased services	2,000	2,000	0
Total instruction-regular	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Excess of revenues over expenditures	<u>3,843</u>	<u>1,000</u>	<u>(2,843)</u>
Fund balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$3,843</u></u>	<u><u>\$1,000</u></u>	<u><u>(\$2,843)</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 OHIO READS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$3,895	\$2,000	(\$1,895)
Total revenues	<u>3,895</u>	<u>2,000</u>	<u>(1,895)</u>
Expenditures:			
Current:			
Support services-instructional staff			
Purchased services	2,000		2,000
Supplies		1,997	(1,997)
Total support services-instructional staff	<u>2,000</u>	<u>1,997</u>	<u>3</u>
Total expenditures	<u>2,000</u>	<u>1,997</u>	<u>3</u>
Excess of revenues over expenditures	<u>1,895</u>	<u>3</u>	<u>(1,892)</u>
Fund balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$1,895</u></u>	<u><u>\$3</u></u>	<u><u>(\$1,892)</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 NDEA TITLE II
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	1,000		1,000
Fringe benefits	282		282
Purchased services	918	918	0
Total instruction-regular	<u>2,200</u>	<u>918</u>	<u>1,282</u>
Total expenditures	<u>2,200</u>	<u>918</u>	<u>1,282</u>
Deficiency of revenues under expenditures	<u>(2,200)</u>	<u>(918)</u>	<u>1,282</u>
Fund balance, July 1	<u>2,200</u>	<u>2,200</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$1,282</u></u>	<u><u>\$1,282</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
TITLE I
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental -Federal	\$66,385	\$34,089	(\$32,296)
Total revenues	<u>66,385</u>	<u>34,089</u>	<u>(32,296)</u>
Expenditures:			
Current:			
Instruction-special			
Purchased services	34,089	34,089	0
Total instruction-special	<u>34,089</u>	<u>34,089</u>	<u>0</u>
Total expenditures	<u>34,089</u>	<u>34,089</u>	<u>0</u>
Excess of revenues over expenditures	<u>32,296</u>	<u>0</u>	<u>(32,296)</u>
Fund balance, July 1	0	0	0
Fund balance, June 30	<u>\$32,296</u>	<u>\$0</u>	<u>(\$32,296)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
TITLE VI
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$7,597	\$3,901	(\$3,696)
Total revenues	<u>7,597</u>	<u>3,901</u>	<u>(3,696)</u>
Expenditures:			
Current:			
Instruction-special			
Salaries and wages	3,320	3,320	0
Fringe benefits	796	796	0
Total instruction-special	<u>4,116</u>	<u>4,116</u>	<u>0</u>
Total expenditures	<u>4,116</u>	<u>4,116</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,481</u>	<u>(215)</u>	<u>(3,696)</u>
Fund balance, July 1	215	215	0
Fund balance, June 30	<u>\$3,696</u>	<u>\$0</u>	<u>(\$3,696)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
DRUG-FREE SCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$6,485	\$3,330	(\$3,155)
Total revenues	<u>6,485</u>	<u>3,330</u>	<u>(3,155)</u>
Expenditures:			
Current:			
Support services-pupil			
Salaries and wages	2,890	2,888	2
Fringe benefits	571	545	26
Total support services-pupil	<u>3,461</u>	<u>3,433</u>	<u>28</u>
Total expenditures	<u>3,461</u>	<u>3,433</u>	<u>28</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,024</u>	<u>(103)</u>	<u>(3,127)</u>
Other financing uses:			
Refund of prior year receipts	0	(11)	(11)
Total other financing uses	<u>0</u>	<u>(11)</u>	<u>(11)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	<u>3,024</u>	<u>(114)</u>	<u>(3,138)</u>
Fund balance, July 1	131	131	0
Fund balance, June 30	<u>\$3,155</u>	<u>\$17</u>	<u>(\$3,138)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
TELECOMMUNICATIONS ACT GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$5,641	\$2,897	(\$2,744)
Total revenues	<u>5,641</u>	<u>2,897</u>	<u>(2,744)</u>
Expenditures:			
Current:			
Support services-operations and maintenance			
Purchased services	2,897	2,897	0
Total support services-			
operations and maintenance	<u>2,897</u>	<u>2,897</u>	<u>0</u>
Total expenditures	<u>2,897</u>	<u>2,897</u>	<u>0</u>
Excess of revenues			
over expenditures	<u>2,744</u>	<u>0</u>	<u>(2,744)</u>
Fund balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$2,744</u></u>	<u><u>\$0</u></u>	<u><u>(\$2,744)</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
CLASS SIZE REDUCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$18,835	\$9,672	(\$9,163)
Total revenues	<u>18,835</u>	<u>9,672</u>	<u>(9,163)</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	9,672	9,672	0
Total instruction-regular	<u>9,672</u>	<u>9,672</u>	<u>0</u>
Total expenditures	<u>9,672</u>	<u>9,672</u>	<u>0</u>
Excess of revenues over expenditures	<u>9,163</u>	<u>0</u>	<u>(9,163)</u>
Fund balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$9,163</u></u>	<u><u>\$0</u></u>	<u><u>(\$9,163)</u></u>

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$8,597	\$4,388	(\$4,209)
Lease revenue	1,000,000	500,000	(500,000)
Extracurricular	98,043	63,667	(34,376)
Intergovernmental - State	29,348	15,068	(14,280)
Intergovernmental - Federal	104,943	53,889	(51,054)
Total revenues	1,240,931	637,012	(603,919)
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	18,588	17,200	1,388
Fringe benefits	1,281	1,387	(106)
Purchased services	2,918	2,918	0
Total instruction-regular	22,787	21,505	1,282
Instruction-special			
Salaries and wages	3,320	3,320	0
Fringe benefits	796	796	0
Purchased services	34,089	34,089	0
Total instruction-special	38,205	38,205	0
Instruction-adult/continuing			
Salaries and wages	400	125	275
Fringe benefits	90	35	55
Total instruction-adult/continuing	490	160	330
Support services-pupil			
Salaries and wages	2,890	2,888	2
Fringe benefits	571	545	26
Purchased services	13,599	5,793	7,806
Supplies	11,527	2,138	9,389
Capital outlay	1,000	290	710
Other	6,315	3,698	2,617
Total support services-pupil	35,902	15,352	20,550
Support services-instructional staff			
Fringe benefits	2,740	1,177	1,563
Purchased services	7,397	5,333	2,064
Supplies	0	1,997	(1,997)
Total support services-instructional staff	10,137	8,507	1,630

CUYAHOGA HEIGHTS SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support services-operations and maintenance			
Purchased services	\$2,897	\$2,897	\$0
Total support services- operations and maintenance	<u>2,897</u>	<u>2,897</u>	<u>0</u>
Support services-central			
Salaries and wages	\$12,161	\$12,320	(\$159)
Fringe benefits	2,067	1,930	137
Purchased services	2,773	1,022	1,751
Supplies	0	279	(279)
Total support services-central	<u>17,001</u>	<u>15,551</u>	<u>1,450</u>
Extracurricular activities			
Salaries and wages	100	65	35
Fringe benefits	20	10	10
Purchases services	66,558	57,234	9,324
Supplies	91,496	56,022	35,474
Capital outlay	41,847	39,690	2,157
Other	168,087	24,922	143,165
Total extracurricular activities	<u>368,108</u>	<u>177,943</u>	<u>190,165</u>
Facilities services			
Purchased services	38,310	12,181	26,129
Capital outlay	714,734	694,887	19,847
Total facilities services	<u>753,044</u>	<u>707,068</u>	<u>45,976</u>
Total expenditures	<u>1,248,571</u>	<u>987,188</u>	<u>261,383</u>
Deficiency of revenues under expenditures	<u>(7,640)</u>	<u>(350,176)</u>	<u>(342,536)</u>
Other financing sources (uses):			
Operating transfers in	239,529	122,918	(116,611)
Operating transfers (out)	0	(918)	(918)
Advances (out)	(500,000)	(500,000)	0
Refund of prior year's (receipts)	0	(11)	(11)
Refund of prior year's expenditures	1,779	947	(832)
Total other financing sources (uses)	<u>(258,692)</u>	<u>(377,064)</u>	<u>(118,372)</u>
Deficiency of revenues and other financing sources under expenditures and other financing (uses)	<u>(266,332)</u>	<u>(727,240)</u>	<u>(460,908)</u>
Fund balance, July 1	59,122	59,122	0
Prior year encumbrances appropriated	721,363	721,363	0
Fund balance, June 30	<u>\$514,153</u>	<u>\$53,245</u>	<u>(\$460,908)</u>

DEBT SERVICE FUND

Section 5705.09, Revised Code

A fund provided for the retirement of serial bonds and short term loans. All revenue derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt charges on bonds or loans, are paid into this fund.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$515,213	\$515,214	\$1
Intergovernmental-State	26,146	26,146	0
Total revenues	541,359	541,360	1
Expenditures:			
Debt service:			
Principal retirement	325,804	322,907	2,897
Interest and fiscal charges	281,196	278,695	2,501
Total debt service	607,000	601,602	5,398
Total expenditures	607,000	601,602	5,398
Deficiency of revenues under expenditures	(65,641)	(60,242)	5,399
Other financing sources:			
Operating transfers in	181,786	181,786	0
Total other financing sources	181,786	181,786	0
Excess of revenues and other financing sources over expenditures	116,145	121,544	5,399
Fund balance, July 1	268,841	268,841	0
Fund balance, June 30	\$384,986	\$390,385	\$5,399

CAPITAL PROJECTS FUNDS

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

Permanent Improvement Fund

Section 5705.10, Revised Code

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

Building Fund

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

SchoolNet Plus Fund

Section 5705.09, Revised Code

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
JUNE 30, 2000

	PERMANENT IMPROVEMENT	BUILDING	SCHOOLNET PLUS	TOTAL
Assets:				
Equity in pooled cash and cash equivalents	\$773,659	\$38,600	\$11,259	\$823,518
Receivables (net of allowances of uncollectibles):				
Accrued interest	3,057			3,057
Total Assets	<u>\$776,716</u>	<u>\$38,600</u>	<u>\$11,259</u>	<u>\$826,575</u>
Liabilities:				
Accounts payable	\$63,299			\$63,299
Accrued wages and benefits			\$27	27
Total Liabilities	<u>63,299</u>	<u>\$0</u>	<u>27</u>	<u>63,326</u>
Fund Equity:				
Fund Balances:				
Reserved for encumbrances	212,421	38,362	1,220	252,003
Unreserved-undesignated	500,996	238	10,012	511,246
Total Fund Equity	<u>713,417</u>	<u>38,600</u>	<u>11,232</u>	<u>763,249</u>
Total Liabilities and Fund Equity	<u>\$776,716</u>	<u>\$38,600</u>	<u>\$11,259</u>	<u>\$826,575</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	PERMANENT IMPROVEMENT	BUILDING	SCHOOLNET PLUS	TOTAL
Revenues:				
Taxes	\$591,760			\$591,760
Earnings on investments	34,475	\$5,551		40,026
Total Revenues	<u>626,235</u>	<u>5,551</u>	<u>\$0</u>	<u>631,786</u>
Expenditures:				
Current:				
Instruction:				
Regular		23,685	5,293	28,978
Support services :				
Pupil	369,539		389	369,928
Instructional staff	13,962		5,467	19,429
Board of Education	10,216			10,216
Operations and maintenance	65,647	29,929		95,576
Facilities services	313,852	73,557		387,409
Total Expenditures	<u>773,216</u>	<u>127,171</u>	<u>11,149</u>	<u>911,536</u>
Deficiency of revenues under expenditures	<u>(146,981)</u>	<u>(121,620)</u>	<u>(11,149)</u>	<u>(279,750)</u>
Fund balance, July 1	<u>860,398</u>	<u>160,220</u>	<u>22,381</u>	<u>1,042,999</u>
Fund balance, June 30	<u>\$713,417</u>	<u>\$38,600</u>	<u>\$11,232</u>	<u>\$763,249</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$946,318	\$591,760	(\$354,558)
Earnings on investments	50,243	31,418	(18,825)
Total revenues	996,561	623,178	(373,383)
Expenditures:			
Support services-pupil			
Purchased services	110,798	47,044	63,754
Supplies	62,385	14,775	47,610
Capital outlay	635,428	421,692	213,736
Total support services-pupil	808,611	483,511	325,100
Support services-instructional staff			
Purchased services	60,025	16,837	43,188
Total support services-instructional staff	60,025	16,837	43,188
Support services-Board of Education			
Purchased services	11,000	10,971	29
Total support services-Board of Education	11,000	10,971	29
Support services-operations and maintenance			
Purchased services	230,000	76,788	153,212
Supplies	50,000	39,202	10,798
Capital outlay	15,000	12,309	2,691
Total support services-operations and maintenance	295,000	128,299	166,701
Facilities services			
Purchased services	161,771	95,773	65,998
Capital outlay	413,111	295,871	117,240
Total facilities services	574,882	391,644	183,238
Total expenditures	1,749,518	1,031,262	718,256
Deficiency of revenues under expenditures	(752,957)	(408,084)	344,873
Fund balance, July 1	575,252	575,252	0
Prior year encumbrances appropriated	330,772	330,772	0
Fund balance, June 30	\$153,067	\$497,940	\$344,873

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
BUILDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$8,877	\$5,551	(\$3,326)
Total revenues	8,877	5,551	(3,326)
Expenditures:			
Current:			
Instruction-regular			
Capital outlay	26,798	23,684	3,114
Total instruction-regular	26,798	23,684	3,114
Support services-pupil			
Purchased services	688	0	688
Capital outlay	4,750	0	4,750
Total support services-pupil	5,438	0	5,438
Support services-operations and maintenance			
Purchased services	10,815	3,083	7,732
Supplies	3,400	3,310	90
Capital outlay	26,894	25,736	1,158
Total support services-operations and maintenance	41,109	32,129	8,980
Facilities services			
Purchased services	42,700	31,590	11,110
Capital outlay	92,244	78,129	14,115
Total facilities services	134,944	109,719	25,225
Total expenditures	208,289	165,532	42,757
Deficiency of revenues under expenditures	(199,412)	(159,981)	39,431
Fund balance, July 1	116,931	116,931	0
Prior year encumbrances appropriated	43,289	43,289	0
Fund balance (deficit), June 30	(\$39,192)	\$239	\$39,431

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
SCHOOLNET PLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction-regular			
Purchased services	934	575	359
Supplies	13,846	5,530	8,316
Capital outlay	1,998	2,156	(158)
Total instruction regular	16,778	8,261	8,517
Support services - pupil			
Purchased services	2,100	639	1,461
Total support services-pupil	2,100	639	1,461
Support services - instructional staff			
Salaries and wages	5,000	5,000	0
Fringe benefits	500	440	60
Total support services-instructional staff	5,500	5,440	60
Total expenditures	24,378	14,340	10,038
Deficiency of revenues under expenditures	(24,378)	(14,340)	10,038
Fund balance, July 1	21,731	21,731	0
Prior year encumbrances appropriated	2,648	2,648	0
Fund balance, June 30	\$1	\$10,039	\$10,038

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$946,318	\$591,760	(\$354,558)
Earnings on investments	59,120	36,969	(22,151)
Total revenues	<u>1,005,438</u>	<u>628,729</u>	<u>(376,709)</u>
Expenditures:			
Current:			
Instruction-regular			
Purchased services	934	575	359
Supplies	13,846	5,530	8,316
Capital outlay	28,796	25,840	2,956
Total instruction-regular	<u>43,576</u>	<u>31,945</u>	<u>11,631</u>
Support services-pupil			
Purchased services	113,586	47,683	65,903
Supplies	62,385	14,775	47,610
Capital outlay	640,178	421,692	218,486
Total support services-pupil	<u>816,149</u>	<u>484,150</u>	<u>331,999</u>
Support services-instructional staff			
Salaries and wages	5,000	5,000	0
Fringe benefits	500	440	60
Purchased services	60,025	16,838	43,187
Total support services-instructional staff	<u>65,525</u>	<u>22,278</u>	<u>43,247</u>
Support services-Board of Education			
Purchased services	11,000	10,971	29
Total support services-Board of Education	<u>11,000</u>	<u>10,971</u>	<u>29</u>
Support services-operations and maintenance			
Purchased services	240,815	79,871	160,944
Supplies	53,400	42,512	10,888
Capital outlay	41,894	38,045	3,849
Total support services-operations and maintenance	<u>336,109</u>	<u>160,428</u>	<u>175,681</u>
Facilities services			
Purchased services	204,471	127,363	77,108
Capital outlay	505,355	374,000	131,355
Total facilities services	<u>709,826</u>	<u>501,363</u>	<u>208,463</u>
Total expenditures	<u>1,982,185</u>	<u>1,211,135</u>	<u>771,050</u>
Deficiency of revenues under expenditures	<u>(976,747)</u>	<u>(582,406)</u>	<u>394,341</u>
Fund balance, July 1	713,913	713,913	0
Prior year encumbrances appropriated	376,709	376,709	0
Fund balance, June 30	<u>\$113,875</u>	<u>\$508,216</u>	<u>\$394,341</u>

ENTERPRISE FUNDS

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

Food Services Fund

Section 3313.81, Revised Code

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

Uniform School Supplies Fund

Section 3313.811, Revised Code

This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school.

Adult Education Fund

Section 5705.12, Revised Code

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 JUNE 30, 2000

	FOOD SERVICE	UNIFORM SCHOOL SUPPLIES	ADULT EDUCATION	TOTAL
Assets:				
Equity in pooled cash and cash equivalents	\$68,550	\$2,012	\$1,523	\$72,085
Accounts receivable (Net of allowances for uncollectibles)	263			263
Materials and supplies inventory	8,883	2,897		11,780
Property, Plant & Equipment - (Net of accumulated Depreciation)	15,469			15,469
Total Assets	\$93,165	\$4,909	\$1,523	\$99,597
Liabilities:				
Accrued wages and benefits	\$7,919		\$1	\$7,920
Compensated absences payable	13,647			13,647
Pension obligation payable	527			527
Deferred revenue	4,673			4,673
Total Liabilities	\$26,766	\$0	\$1	26,767
Fund Equity:				
Retained earnings-unreserved	66,399	4,909	1,522	72,830
Total Fund Equity	66,399	4,909	1,522	72,830
Total Liabilities and Fund Equity	\$93,165	\$4,909	\$1,523	\$99,597

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	FOOD SERVICE	UNIFORM SCHOOL SUPPLIES	ADULT EDUCATION	TOTAL
Operating Revenues:				
Tuition and fees			\$130	\$130
Sales/charges for services	\$164,072	\$2,158		166,230
Other operating revenues	226			226
Total Operating Revenues	164,298	2,158	130	166,586
Operating Expenses:				
Salaries and wages	112,552		266	112,818
Fringe benefits	22,699		42	22,741
Contract services	6,065			6,065
Materials and supplies	95,099	1,511		96,610
Depreciation	1,800			1,800
Total Operating Expenses	238,215	1,511	308	240,034
Operating Income (Loss)	(73,917)	647	(178)	(73,448)
Nonoperating Revenues (Loss):				
Operating grants	21,898			21,898
Federal commodities	10,724			10,724
Interest revenue	2,671			2,671
Loss on disposal of assets	(350)			(350)
Total Nonoperating Revenues (Loss)	34,943	0	0	34,943
Net Income (Loss) before operating transfers	(38,974)	647	(178)	(38,505)
Operating transfers in	50,000			50,000
Net Income (Loss)	11,026	647	(178)	11,495
Retained earnings, July 1	55,373	4,262	1,700	61,335
Retained earnings, June 30	\$66,399	\$4,909	\$1,522	\$72,830

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>FOOD SERVICE</u>	<u>UNIFORM SCHOOL SUPPLIES</u>	<u>ADULT EDUCATION</u>	<u>TOTAL</u>
Cash flows from operating activities:				
Cash received from tuition and fees			\$130	\$130
Cash received from sales/charges for services	\$164,072	\$2,158		166,230
Cash payments for personal services	(135,387)		(307)	(135,694)
Cash payments for contract services	(6,065)			(6,065)
Cash payments for supplies and materials	(84,206)	(3,096)		(87,302)
Net cash provided by (used in) operating activities	<u>(61,586)</u>	<u>(938)</u>	<u>(177)</u>	<u>(62,701)</u>
Cash flows from noncapital financing activities:				
Cash received from operating grants	25,242			25,242
Cash received from operating transfers	50,000			50,000
Net cash provided by noncapital financing activities	<u>75,242</u>			<u>75,242</u>
Cash flows from investing activities:				
Interest received	2,671			2,671
Net cash provided by investing activities	<u>2,671</u>			<u>2,671</u>
Net increase (decrease) in cash and cash equivalents	<u>16,327</u>	<u>(938)</u>	<u>(177)</u>	<u>15,212</u>
Cash and cash equivalents at beginning of year	52,223	2,950	1,700	56,873
Cash and cash equivalents at end of year	<u>\$68,550</u>	<u>\$2,012</u>	<u>\$1,523</u>	<u>\$72,085</u>
Reconciliation of operating income (loss) to net cash used in operating activities:				
Operating income (loss)	(\$73,917)	\$647	(\$178)	(\$73,448)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation	1,800			1,800
Federal donated commodities	10,724			10,724
Changes in assets and liabilities:				
(Increase) decrease in supplies inventory	366	(1,585)		(1,219)
Increase in accounts receivable	(226)			(226)
Increase (decrease) in accrued wages and benefits	(664)		1	(663)
Increase in compensated absences payable	671			671
Decrease in pension obligation payable	(143)			(143)
Decrease in deferred revenue	(197)			(197)
Net cash used in operating activities	<u>(\$61,586)</u>	<u>(938)</u>	<u>(177)</u>	<u>(\$62,701)</u>
Noncash investing, capital and financing activities:				
Federal donated commodities	<u>\$10,724</u>			<u>\$10,724</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$163,848	\$163,847	(\$1)
Other	225	225	0
Total operating revenues	<u>164,073</u>	<u>164,072</u>	<u>(1)</u>
Operating expenses:			
Salaries and wages	112,000	99,316	12,684
Fringe benefits	41,200	36,071	5,129
Contract services	11,048	6,499	4,549
Supplies	120,000	84,205	35,795
Capital outlay	5,712		5,712
Total operating expenses	<u>289,960</u>	<u>226,091</u>	<u>63,869</u>
Operating loss	<u>(125,887)</u>	<u>(62,019)</u>	<u>63,868</u>
Nonoperating revenues:			
Operating grants	25,242	25,242	0
Interest revenue	2,671	2,671	0
Total nonoperating revenues	<u>27,913</u>	<u>27,913</u>	<u>0</u>
Net loss before operating transfers	<u>(97,974)</u>	<u>(34,106)</u>	<u>63,868</u>
Operating transfers in	50,000	50,000	0
Total operating transfers	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net income (loss)	<u>(47,974)</u>	<u>15,894</u>	<u>63,868</u>
Fund Equity, July 1	46,963	46,963	0
Prior year encumbrances appropriated	5,260	5,260	0
Fund Equity, June 30	<u>\$4,249</u>	<u>\$68,117</u>	<u>\$63,868</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Other	\$2,158	\$2,158	\$0
Total operating revenues	<u>2,158</u>	<u>2,158</u>	<u>0</u>
Operating expenses:			
Contract services	250		250
Supplies	4,750	3,096	1,654
Total operating expenses	<u>5,000</u>	<u>3,096</u>	<u>1,654</u>
Operating loss	<u>(2,842)</u>	<u>(938)</u>	<u>1,904</u>
Fund equity, July 1	<u>2,950</u>	<u>2,950</u>	<u>0</u>
Fund equity, June 30	<u><u>\$108</u></u>	<u><u>\$2,012</u></u>	<u><u>\$1,904</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ADULT EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Tuition and fees	\$130	\$130	\$0
Total operating revenues	<u>130</u>	<u>130</u>	<u>0</u>
Operating expenses:			
Salaries and wages	900	266	634
Fringe benefits	400	41	359
Contract services	250		250
Supplies	250		250
Total operating expenses	<u>1,800</u>	<u>307</u>	<u>1,493</u>
Operating loss	<u>(1,670)</u>	<u>(177)</u>	<u>1,493</u>
Fund equity, July 1	<u>1,700</u>	<u>1,700</u>	<u>0</u>
Fund equity, June 30	<u><u>\$30</u></u>	<u><u>\$1,523</u></u>	<u><u>\$1,493</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Tuition and fees	\$130	\$130	\$0
Sales/charges for services	163,848	163,847	(1)
Other	2,383	2,383	0
Total operating revenues	166,361	166,360	(1)
Operating expenses:			
Salaries and wages	112,900	99,582	13,318
Fringe benefits	41,600	36,112	5,488
Contract services	11,548	6,499	5,049
Supplies	125,000	87,301	37,699
Capital outlay	5,712	0	5,712
Total operating expenses	296,760	229,494	67,266
Operating loss	(130,399)	(63,134)	67,265
Nonoperating revenues:			
Operating grants	25,242	25,242	0
Interest revenue	2,671	2,671	0
Total nonoperating revenues	27,913	27,913	0
Net loss before operating transfers	(102,486)	(35,221)	67,265
Operating transfers in	50,000	50,000	0
Total operating transfers	50,000	50,000	0
Net income (loss)	(52,486)	14,779	67,265
Fund equity, July 1	51,613	51,613	0
Prior year encumbrances appropriated	5,260	5,260	0
Fund equity, June 30	\$4,387	\$71,652	\$67,265

INTERNAL SERVICE FUNDS

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

Internal Service Rotary Fund

Section 5705.12, Revised Code

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

Employee Benefits Self-Insurance Fund

Section 5705.09, Revised Code

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2000

	<u>INTERNAL SERVICE ROTARY</u>	<u>EMPLOYEE BENEFITS SELF-INSURANCE</u>	<u>TOTAL</u>
Assets:			
Equity in pooled cash and cash equivalents	\$1,349	\$92,141	\$93,490
Cash with fiscal agent		76,953	76,953
Accounts receivable (Net of allowances for uncollectibles)		210	210
Total Assets	<u>\$1,349</u>	<u>\$169,304</u>	<u>\$170,653</u>
Liabilities:			
Deferred revenue	\$648		\$648
Claims payable		\$99,887	99,887
Total Liabilities	<u>648</u>	<u>99,887</u>	<u>100,535</u>
Fund Equity:			
Retained earnings-unreserved	701	69,417	70,118
Total fund equity	<u>701</u>	<u>69,417</u>	<u>70,118</u>
Total Liabilities and Fund Equity	<u>\$1,349</u>	<u>\$169,304</u>	<u>\$170,653</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	INTERNAL SERVICE ROTARY	EMPLOYEE BENEFITS SELF-INSURANCE	TOTAL
Operating Revenues:			
Sales/charges for services	\$32,365	\$303,626	\$335,991
Total Operating Revenues	<u>32,365</u>	<u>303,626</u>	<u>335,991</u>
Operating expenses:			
Contract services	19,128		19,128
Materials and supplies	33		33
Other operating expense	13,039		13,039
Claims expense		286,465	286,465
Total operating expenses	<u>32,200</u>	<u>286,465</u>	<u>318,665</u>
Net income	<u>165</u>	<u>17,161</u>	<u>17,326</u>
Retained earnings, July 1	536	52,256	52,792
Retained earnings, June 30	<u>\$701</u>	<u>\$69,417</u>	<u>\$70,118</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	INTERNAL SERVICE ROTARY	EMPLOYEE BENEFITS SELF-INSURANCE	TOTAL
Cash flows from operating activities:			
Cash received from sales/charges for services	\$31,285	\$303,416	\$334,701
Cash payments for contract services	(19,173)		(19,173)
Cash payments for claims expenses		(291,268)	(291,268)
Cash payments for supplies and materials	(33)		(33)
Cash payments for other operating expenses	(13,039)		(13,039)
Net cash used in operating activities	(960)	12,148	11,188
Net decrease in cash and cash equivalents	(960)	12,148	11,188
Cash and cash equivalents at beginning of year	2,309	79,993	82,302
Cash and cash equivalents at end of year	\$1,349	\$92,141	\$93,490
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$165	\$17,161	\$17,326
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Increase in accounts receivable		(210)	(210)
Decrease in accounts payable	(45)		(45)
Decrease in claims payable		(4,803)	(4,803)
Decrease in deferred revenue	(1,080)		(1,080)
Net cash provided by (used in) operating activities	(\$960)	\$12,148	\$11,188

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE ROTARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$14,292	\$14,292	\$0
Other operating revenues	16,993	16,993	0
Total operating revenues	31,285	31,285	0
Operating expenses:			
Contract services	19,685	19,173	512
Supplies	100	33	67
Other operating expenses	14,273	13,039	1,234
Total operating expenses	34,058	32,245	1,813
Operating loss	(2,773)	(960)	1,813
Fund equity, July 1	2,051	2,051	0
Prior year encumbrances appropriated	258	258	0
Fund equity, June 30	(\$464)	\$1,349	\$1,813

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS SELF-INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$298,311	\$298,311	\$0
Other operating revenue	5,105	5,105	0
Total operating revenues	<u>303,416</u>	<u>303,416</u>	<u>0</u>
Operating expenses:			
Claims expense	357,544	291,268	66,276
Total operating expenses	<u>357,544</u>	<u>291,268</u>	<u>66,276</u>
Operating income (loss)	<u>(54,128)</u>	<u>12,148</u>	<u>66,276</u>
Fund equity, July 1	79,993	79,993	0
Fund equity, June 30	<u>\$25,865</u>	<u>\$92,141</u>	<u>\$66,276</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$312,603	\$312,603	\$0
Other operating revenues	22,098	22,098	0
Total operating revenues	<u>334,701</u>	<u>334,701</u>	<u>0</u>
Operating expenses:			
Contract services	377,229	310,441	66,788
Supplies	100	33	67
Capital outlay	14,273	13,039	1,234
Total operating expenses	<u>391,602</u>	<u>323,513</u>	<u>68,089</u>
Operating income (loss)	<u>(56,901)</u>	<u>11,188</u>	<u>68,089</u>
Fund equity, July 1	82,044	82,044	0
Prior year encumbrances appropriated	258	258	0
Fund equity, June 30	<u>\$25,401</u>	<u>\$93,490</u>	<u>\$68,089</u>

FIDUCIARY FUND TYPES

EXPENDABLE TRUST FUND

Section 5705.09, Revised Code

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

NONEXPENDABLE TRUST FUND

Section 5705.09, Revised Code

A fund used to account for money, securities or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact. Such funds are also identified as endowment funds.

AGENCY FUNDS

District Agency Fund

Section 5705.12, Revised Code

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

Student Managed Activity Fund

Section 3313.062, Revised Code

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
JUNE 30, 2000

	EXPENDABLE TRUST FUND	NONEXPENDABLE TRUST FUND	AGENCY FUNDS	TOTAL
Assets:				
Equity in pooled cash and cash equivalents	\$2,266		\$52,517	\$54,783
Equity in pooled cash and cash equivalents- nonexpendable trust		\$96,654		96,654
Accounts receivable (Net of allowances for uncollectibles)			3,774	3,774
Total Assets	\$2,266	\$96,654	\$56,291	\$155,211
Liabilities:				
Accounts payable			\$715	\$715
Deferred revenue			1,991	1,991
Due to other governments			7,987	7,987
Due to students			45,598	45,598
Total Liabilities	\$0	\$0	56,291	56,291
Fund Equity:				
Fund Balance:				
Reserved for encumbrances	650			650
Reserved for principal endowment		42,673		42,673
Reserved for scholarships		53,981		53,981
Unreserved-undesignated	1,616			1,616
Total Fund Equity	2,266	96,654		98,920
Total Liabilities and Fund Equity	\$2,266	\$96,654	\$56,291	\$155,211

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$113	\$113	\$0
Other local revenues	509	509	0
Total revenues	622	622	0
Expenditures:			
Community services			
Other	3,703	1,341	2,362
Total community services	3,703	1,341	2,362
Total expenditures	3,703	1,341	2,362
Deficiency of revenues under expenditures	(3,081)	(719)	2,362
Fund balance, July 1	1,532	1,532	0
Prior year encumbrances appropriated	803	803	0
Fund balance (deficit), June 30	(\$746)	\$1,616	\$2,362

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Investment earnings	\$4,865	\$4,865	\$0
Donations	29,609	29,607	(2)
Total operating revenues	<u>34,474</u>	<u>34,472</u>	<u>(2)</u>
Operating expenses:			
Materials and supplies	219	194	25
Other operating expenses	31,977	3,492	28,485
Total operating expenses	<u>32,196</u>	<u>3,686</u>	<u>28,510</u>
Operating income	<u>2,278</u>	<u>30,786</u>	<u>28,508</u>
Fund balance, July 1	63,672	63,672	0
Prior year encumbrances appropriated	2,196	2,196	0
Fund balance, June 30	<u>\$68,146</u>	<u>\$96,654</u>	<u>\$28,508</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Beginning Balance July 1, 1999	Additions	Deletions	Ending Balance June 30, 2000
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$52,035	\$37,981	\$45,486	\$44,530
Accounts receivable (Net of allowance for uncollectibles)	0	3,774		3,774
Total Assets	\$52,035	\$41,755	\$45,486	\$48,304
Liabilities:				
Accounts payable	\$2,334		\$1,619	\$715
Deferred revenue	945	\$1,046		1,991
Due to Students	48,756	41,755	44,913	45,598
Total Liabilities	\$52,035	\$42,801	\$46,532	\$48,304
<u>District Agency</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$8,474	\$2,418	\$2,905	\$7,987
Total Assets	\$8,474	\$2,418	\$2,905	\$7,987
Liabilities:				
Accounts payable	\$117		\$117	\$0
Due to other governments	8,357	\$2,418	2,788	7,987
Total Liabilities	\$8,474	\$2,418	\$2,905	\$7,987
<u>All Agency Funds</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$60,509	\$40,399	\$48,391	\$52,517
Accounts receivable (Net of allowance for uncollectibles)	0	3,774	0	3,774
Total Assets	\$60,509	\$44,173	\$48,391	\$56,291
Liabilities:				
Accounts payable	\$2,451	\$0	\$1,736	\$715
Deferred revenue	945	1,046	0	1,991
Due to other governments	8,357	2,418	2,788	7,987
Due to students	48,756	41,755	44,913	45,598
Total Liabilities	\$60,509	\$45,219	\$49,437	\$56,291

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ASSET CLASS
JUNE 30, 2000

Function	Land and Improvements	Buildings	Furniture and equipment	Vehicles	Construction in Progress	Total
Instruction						
Regular			\$781,768			\$781,768
Special			1,731			1,731
Support Services						
Pupil			596,616			596,616
Instructional staff			158,321			158,321
Administration			41,401			41,401
Fiscal			43,224			43,224
Operations and Maintenance	\$4,602	\$5,347	268,819	\$43,694		322,462
Pupil transportation			24,603	750,892		775,495
Central			6,149			6,149
Community services			84,805			84,805
Extracurricular activities			82,521			82,521
Facilities services	1,930,535	12,798,520	359,405		\$375,965	15,464,425
Total General Fixed Assets	<u>\$1,935,137</u>	<u>\$12,803,867</u>	<u>\$2,449,363</u>	<u>\$794,586</u>	<u>\$375,965</u>	<u>\$18,358,918</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Function	General Fixed Assets July 1, 1999	Increases	(Decreases)	General Fixed assets June 30, 2000
Instruction				
Regular	\$825,459		(\$43,691)	\$781,768
Special	3,389		(1,658)	1,731
Support Services				
Pupil	573,464	\$51,458	(28,306)	596,616
Instructional staff	175,501		(17,180)	158,321
Administration	93,439		(52,038)	41,401
Fiscal	45,025	78	(1,879)	43,224
Operations and Maintenance	304,185	31,257	(12,980)	322,462
Pupil transportation	731,511	74,516	(30,532)	775,495
Central	13,314	1,195	(8,360)	6,149
Community services	80,367	7,212	(2,774)	84,805
Extracurricular activities	97,796	8,775	(24,051)	82,521
Facilities services	14,574,713	1,397,454	(507,742)	15,464,425
Total General Fixed Assets	<u><u>\$17,518,163</u></u>	<u><u>\$1,571,946</u></u>	<u><u>(\$731,191)</u></u>	<u><u>\$18,358,918</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
JUNE 30, 2000

General fixed assets:	
Land and improvements	\$1,935,137
Buildings	12,803,867
Furniture and equipment	2,449,363
Vehicles	794,586
Construction in progress	375,965
	<hr/>
Total General Fixed Assets	<u>\$18,358,918</u>

Investment in General Fixed Assets by Source:

Acquisitions since July 1, 1992

General Fund	\$4,811,955
Permanent Improvement Fund	1,058,096
Building Fund	5,460,114
District Managed Student Activity Fund	817,337
Lottery Funds	19,080
SchoolNet Grant Fund	45,444
Security Grant Fund	5,140
Title VI Fund	2,283
Donations	3,561
Student Managed Activity Fund	800
	<hr/>
Total acquisitions since system start-up	<u>12,223,810</u>
Acquisitions prior to June 30, 1992	<u>6,135,108</u>
	<hr/>
Total investment in General Fixed Assets	<u>\$18,358,918</u>

TABLE 1

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

	2000	1999	1998	1997	1996	1995	1994	1993	1992 (1)	1991
Current:										
Instruction:										
Regular	\$4,604,228	\$4,593,099	\$4,082,113	\$3,949,883	\$4,400,373	\$4,112,231	\$3,903,461	\$3,787,788	\$3,707,924	\$3,352,592
Special	378,425	355,993	157,260	153,877	148,095	144,717	108,695	121,739	218,077	204,217
Adult/continuing	163,353	109,406	172,621	93,374	78,555	58,514	104,406	115,578		
Support Services:										
Pupil	777,287	829,054	706,822	593,534	618,866	593,263	534,783	571,589	518,017	479,902
Instructional staff	587,517	499,811	498,905	417,926	437,669	395,582	401,185	382,578	384,165	360,079
Board of Education	38,889	45,722	37,640	27,973	40,592	30,781	24,884	26,768	30,539	23,922
Administration	969,105	776,680	487,518	642,371	1,106,895	935,301	862,458	792,152	780,662	708,822
Fiscal	440,326	488,215	401,531	410,106	442,048	413,378	354,852	432,768	409,109	288,207
Business	87,403	85,112	73,413	52,730	66,412	59,973	59,019	49,213	60,211	69,545
Operation & maintenance	1,260,194	1,301,003	1,182,946	1,147,083	1,311,873	1,343,936	1,202,726	1,203,592	1,155,957	1,067,812
Pupil transportation	575,051	546,238	431,048	398,426	421,049	421,159	415,767	483,790	426,196	342,827
Central	25,653	29,692	31,216	48,270	47,707	51,165	86,827	63,738	99,933	58,525
Community services	74,520	69,409	39,545	10,454	34,992	49,127	47,718	46,884		
Extracurricular activities	376,700	427,571	339,571	288,774	286,731	281,504	260,796	228,872	178,513	159,525
Intergovernmental							1,094	765,974	88,770	78,164
Miscellaneous										
Facilities services	313,177	228,671	236,752	113,890	15,890	11,094				
Capital outlay			140,562						267,658	319,691
Debt service	44,665	44,666	132,733	18,519	20,201	20,201	17,670	16,734		
Total	\$10,716,493	\$10,430,342	\$9,152,196	\$8,367,190	\$9,477,948	\$8,921,926	\$8,386,341	\$9,089,757	\$8,325,731	\$7,513,830

Source: School district financial records

(1) Fiscal years 1991-1992 are reported on a cash basis; all other fiscal years are reported on a GAAP basis.

TABLE 2

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

	2000	1999	1998	1997	1996	1995	1994	1993	1992 (1)	1991
Taxes	\$10,537,052	\$11,344,659	\$9,256,357	\$8,030,003	\$7,981,911	\$7,354,976	\$7,508,156	\$8,298,477	\$7,498,867	\$7,022,404
Earnings on investments	345,136	279,751	256,303	238,452	248,548	362,711	144,279	207,731	299,622	408,085
Tuition	48,789	3,650	4,030	2,275	8,943	10,857	13,704	9,994		
Other local revenues	37,342	35,489	82,820	33,200	11,615	34,222	21,201	19,642	33,677	42,196
Revenue from intermediate sources	86,196	81,367	108,987		13,123	62,912	166			
Intergovernmental	1,040,656	952,063	749,174	727,364	562,731	495,254	195,950	845,832	463,477	480,150
Total	\$12,095,171	\$12,696,979	\$10,457,671	\$9,031,294	\$8,826,871	\$8,320,932	\$7,883,456	\$9,381,676	\$8,295,643	\$7,952,835

Source: School district financial records

(1) Fiscal years 1991-1992 are reported on a cash basis; all other fiscal years are reported on a GAAP basis.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY REAL PROPERTY TAXES (1)
LAST TEN CALENDAR YEARS

Year(2)	Current Taxes Levied	Delinquent Levy(3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
1999	\$6,536,875	\$145,980	\$6,682,855	\$6,337,307	96.95%	\$102,201	\$6,439,508	96.36%
1998	6,407,914	174,617	6,582,531	6,279,194	97.99%	109,320	6,388,514	97.05%
1997	4,879,747	82,711	4,962,458	4,722,461	96.78%	40,479	4,762,940	95.98%
1996	4,878,788	224,266	5,103,054	4,817,664	98.75%	151,323	4,968,987	97.37%
1995	4,849,757	220,002	5,069,759	4,552,148	93.86%	110,335	4,662,483	91.97%
1994	4,670,452	202,805	4,873,257	4,584,216	98.15%	82,026	4,666,242	95.75%
1993	4,651,757	171,138	4,822,895	4,475,898	96.22%	108,527	4,584,425	95.06%
1992	4,279,568	124,580	4,404,148	4,171,251	97.47%	67,867	4,239,118	96.25%
1991	3,699,118	164,077	3,863,195	3,614,265	97.71%	116,193	3,730,458	96.56%
1990	3,541,404	182,879	3,724,283	3,489,342	98.53%	64,106	3,553,448	95.41%

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

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

(2) Represents the collection year. 2000 information cannot be presented because all collections have not been made as of the District's June 30 fiscal year end.

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN CALENDAR YEARS

Tax Collection Year	Agricultural and Residential Real Estate	Other Real Estate	General Tangible		Public Utility Tangible Personal Property	Total Assessed Value	Estimated Actual Value (1)	Assessed Value as a % of Actual Value
			Personal Property	Personal Property				
2000	\$72,320,520	\$167,184,270	\$225,461,771	\$45,215,580	\$510,182,141	\$1,637,527,825	31.16%	
1999	71,785,000	157,393,180	217,943,263	49,539,070	496,660,513	1,582,862,250	31.38%	
1998	71,589,200	154,789,810	208,115,925	48,201,880	482,696,815	1,534,035,735	31.47%	
1997	65,200,600	144,988,870	188,469,099	47,373,720	446,032,289	1,408,251,512	31.67%	
1996	64,709,840	144,785,120	181,935,118	47,352,670	438,782,748	1,380,107,353	31.79%	
1995	63,428,830	144,013,740	185,673,212	47,735,500	440,851,282	1,389,630,792	31.72%	
1994	56,281,990	142,364,160	171,090,938	49,799,370	419,536,458	1,308,514,374	32.06%	
1993	54,399,300	141,952,170	182,365,640	48,422,130	427,139,240	1,345,491,908	31.75%	
1992	53,023,770	138,070,620	198,010,473	47,728,890	436,833,753	1,392,263,238	31.38%	
1991	45,021,510	122,985,160	196,563,144	44,081,270	408,651,084	1,316,363,985	31.04%	

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

(1) This amount is calculated based on the following percentages for tax year 1999:

Real property is assessed at 35% of actual value.

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

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

TABLE 5

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

Year	School Levy	Cuyahoga Valley JVS	County Levy	Village Levies	Total Levy	Amount of Debt Service Included in Total Levy			
						School	County	Villages	Total
1999									
Village of Brooklyn Hts.	23.90	2.00	16.70	4.40	47.00	1.00	0.27	0.00	1.27
Village of Cuyahoga Hts.	23.90	2.00	16.70	4.40	47.00	1.00	0.27	0.00	1.27
Village of Valley View	23.90	2.00	16.70	7.10	49.70	1.00	0.27	0.00	1.27
1998									
Village of Brooklyn Hts.	23.90	2.00	18.00	4.40	48.30	1.00	0.27	0.00	1.27
Village of Cuyahoga Hts.	23.90	2.00	18.00	4.40	48.30	1.00	0.27	0.00	1.27
Village of Valley View	23.90	2.00	18.00	7.10	51.00	1.00	0.27	0.00	1.27
1997									
Village of Brooklyn Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	18.00	7.10	46.10	0.00	0.27	0.00	0.27
1996									
Village of Brooklyn Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	18.00	7.10	46.10	0.00	0.27	0.00	0.27
1995									
Village of Brooklyn Hts.	19.00	2.00	18.20	4.40	43.60	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	18.20	4.40	43.60	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	18.20	7.10	46.30	0.00	0.27	0.00	0.27
1994									
Village of Brooklyn Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	17.80	7.10	45.90	0.00	0.27	0.00	0.27
1993									
Village of Brooklyn Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	17.80	7.10	45.90	0.00	0.27	0.00	0.27
1992									
Village of Brooklyn Hts.	18.00	2.00	17.80	4.40	42.20	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	18.00	2.00	17.80	4.40	42.20	0.00	0.27	0.00	0.27
Village of Valley View	18.00	2.00	17.80	7.10	44.90	0.00	0.27	0.00	0.27
1991									
Village of Brooklyn Hts.	17.50	2.00	17.80	4.40	41.70	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	17.50	2.00	17.80	4.40	41.70	0.00	0.27	0.00	0.27
Village of Valley View	17.50	2.00	17.80	7.10	44.40	0.00	0.27	0.00	0.27
1990									
Village of Brooklyn Hts.	17.50	2.10	16.30	4.40	40.30	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	17.50	2.10	16.30	4.40	40.30	0.00	0.27	0.00	0.27
Village of Valley View	17.50	2.10	16.30	6.40	42.30	0.00	0.27	0.00	0.27

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

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value	Population (2)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
2000	\$4,308,617	\$510,182,141	4,585	0.84%	\$940
1999	4,697,198	496,660,513	4,212	0.95%	1,115
1998	5,091,823	482,696,815	4,281	1.05%	1,189
1997	5,433,661	446,032,289	4,337	1.22%	1,253
1996	4,359,761	438,782,748	4,333	0.99%	1,006
1995	4,560,321	440,851,282	4,381	1.03%	1,041
1994	4,721,722	419,536,436	4,382	1.13%	1,078
1993	4,832,226	427,139,240	4,365	1.13%	1,107
1992	0	436,833,753	4,269	0.00%	0
1991	0	408,651,084	4,269	0.00%	0

Source: Cuyahoga County Auditor and School District Financial Records

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

(2) Estimated by the Villages of Brooklyn Heights, Cuyahoga Heights, and Valley View.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2000

	Total Voted Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Valuation		
Collection Year 1999	\$510,182,141	\$510,182,141
Debt Limitation	45,916,393	510,182
Total Outstanding Debt:		
Construction Bonds	3,790,000	3,790,000
Energy Conservation Loan	918,280	918,280
Total Outstanding Debt	<u>4,708,280</u>	<u>4,708,280</u>
Exemptions:		
Construction Bonds		(3,790,000)
Energy Conservation Loan	(918,280)	(918,280)
Total Exemptions	<u>(918,280)</u>	<u>(4,708,280)</u>
Less: Amount available in Debt Service fund	<u>(399,663)</u>	<u>0</u>
Net Debt Subject to Limitation	3,390,337	0
Total Legal Debt Margin		
(Debt Limitation Minus Net Debt Subject to Limitation)	<u>\$42,526,056</u>	<u>\$510,182</u>

Source: School District Financial Records

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

DECEMBER 31, 1999

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to the School District (1)</u>	<u>Amount Applicable to the School District</u>
<u>Direct:</u>			
Cuyahoga Heights Local School District	\$4,708,279	100.00%	\$4,708,279
Total Direct	4,708,279		4,708,279
<u>Overlapping:</u>			
Brooklyn Heights Village	1,185,000	19.60%	232,260
Cuyahoga Heights Village	0	47.80%	0
Valley View Village	5,496,000	32.50%	1,786,200
RTA (2)	101,865,000	1.99%	2,027,114
Cuyahoga County	141,004,636	1.99%	2,805,992
Total Overlapping:	249,550,636		6,851,566
Grand Total Direct and Overlapping	\$254,258,915		\$11,559,845

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the political subdivision. The valuations used were for the 1999 tax collection year.

(2) Regional Transit Authority of Cuyahoga County

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT
 TO TOTAL GENERAL FUND EXPENDITURES
 LAST TEN FISCAL YEARS

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Debt Service Expenditures As a Percent of General Fund Expenditures
2000	\$322,907	\$278,695	\$601,602	\$10,716,493	5.61%
1999	306,642	299,818	606,460	10,430,342	5.81%
1998	295,685	313,079	608,764	9,152,196	6.65%
1997	306,486	298,933	605,419	8,367,190	7.24%
1996	165,000	259,500	424,500	9,477,948	4.48%
1995	160,000	264,543	424,543	8,921,926	4.76%
1994	155,000	336,600	491,600	8,386,341	5.86%
1993	0	0	0	9,089,757	N/A
1992	0	0	0	8,325,731	N/A
1991	0	0	0	7,513,830	N/A

Source: School District Financial Records

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
 DEMOGRAPHIC STATISTICS
 LAST TEN CALENDAR YEARS

Year	Population (1)			Value of New Building Permits (3)				Median Income (2)	
	Cuyahoga County	Village of Brooklyn Heights	Village of Cuyahoga Heights	Village of Valley View	Village of Brooklyn Heights	Village of Cuyahoga Heights	Village of Valley View	District	State
1999	1,371,717	1,600	585	2,400	\$4,756,972	\$4,354,400	\$4,094,378	\$33,215	\$29,363
1998	1,380,696	1,445	626	2,141	3,432,178	10,271,000	16,834,200	31,097	27,310
1997	1,399,272	1,482	648	2,151	3,294,184	19,133,290	7,993,733	27,061	24,431
1996	1,399,272	1,482	648	2,207	5,832,330	6,550,200	9,305,722	27,061	24,588
1995	1,413,348	1,459	667	2,207	6,888,674	4,324,600	5,666,539	24,373	23,478
1994	1,413,348	1,459	667	2,255	2,733,776	2,098,987	3,283,272	24,905	23,361
1993	1,415,825	1,447	680	2,255	4,135,919	5,642,065	5,783,044	N/A	N/A
1992	1,415,825	1,447	680	2,238	932,350	14,035,791	12,955,000	N/A	N/A
1991	1,412,140	1,450	682	2,137	1,367,520	3,444,253	8,401,000	N/A	N/A
1990	1,412,140	1,450	682	2,137	1,688,775	3,500,000	6,400,000	39,148	N/A

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

(1) 1990 is actual, per U.S. Census Bureau, all other years are estimated

(2) Department of Taxation, State of Ohio

(3) Year 1990 is estimated for the Village of Cuyahoga Heights

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

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

<u>YEAR (1)</u>	<u>Estimated Actual Property Value (Real Property Only)</u>	<u>Unemployment Rate Cuyahoga County</u>	<u>Financial Institution Deposits</u>
1999	\$239,504,790	4.6%	\$60,198,073
1998	229,178,180	4.5%	58,904,596
1997	226,379,010	4.9%	53,941,971
1996	210,189,470	4.7%	27,068,211
1995	209,494,960	4.9%	22,694,304
1994	207,442,570	5.3%	21,101,872
1993	198,646,150	7.6%	21,998,821
1992	196,351,470	6.3%	19,379,203
1991	191,094,390	5.2%	18,392,143
1990	168,006,670	5.8%	19,188,641

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

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

PRINCIPAL TAXPAYERS

DECEMBER 31, 1999

Taxpayer	Nature of Business	Assessed Valuation (1)		Combined Tangible and Real Assessed Valuation	Assessed Valuation As a Percent of Total Assessed Valuation
		Real Estate	Tangible Property		
Cleveland Electric Illuminating	Electric utility	\$41,008,150		\$41,008,150	8.04%
LTV Steel Company, Inc.	Steel production	13,085,950	\$24,364,600	37,450,550	7.34%
Aluminum Company of America	Aluminum and titanium forgings	4,914,700	27,435,350	32,350,050	6.34%
American Steel and Wire	Rods and steel wire		24,037,490	24,037,490	4.71%
Gibraltar Strip Steel, Inc.	Steel production	8,530,760	10,134,060	18,664,820	3.66%
North America Mfg. Company	Combustion boilers	2,234,080	5,706,710	7,940,790	1.56%
Ferro Corp	Financial services	1,015,630	4,469,770	5,485,400	1.08%
MediaOne Financial	Financial services		5,399,336	5,399,336	1.06%
MRN Investments LTD	Financial services	4,546,330		4,546,330	0.89%
Ohio Bell Telephone	Telephone utility	3,594,000		3,594,000	0.70%
Columbia National Group, Inc.	Steel production		3,557,500	3,557,500	0.70%
Northern Stamping Inc.	Manufacturing		3,524,760	3,524,760	0.69%
Blue Coral Slick	Manufacturing		3,480,038	3,480,038	0.68%
Perimeter Printing Company	Sheet-fed commercial printers		3,435,290	3,435,290	0.67%
Valley Ford Truck sales	Truck sales		3,266,367	3,266,367	0.64%
Total, principal taxpayers' Assessed valuation		\$78,929,600	\$118,811,271	\$197,740,871	38.76%
Total assessed valuation of The School District		\$239,504,790	\$270,677,351	\$510,182,141	

Source: Cuyahoga County Auditor

(1) Assessed values are for 1999

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS

<u>YEAR</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
2000	\$10,716,493	833	\$12,865
1999	10,430,342	840	12,417
1998	9,152,196	835	10,961
1997	8,367,190	836	10,009
1996	9,477,948	833	11,378
1995	8,921,926	836	10,672
1994	8,386,341	802	10,457
1993	9,089,757	792	11,477
1992	8,325,731	790	10,539
1991	7,513,830	808	9,299

Source: School District Financial Records

TABLE 14

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

TEACHER EDUCATION AND EXPERIENCE

JUNE 30, 2000

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total Teachers</u>
Bachelor's Degree	10	16.95%
Bachelor's Degree plus 18 hours	15	25.42%
Bachelor's Degree plus 30 hours	1	1.69%
Master's Degree	19	32.20%
Master's Degree plus 18 hours	13	22.03%
Ed.D.	1	1.71%
Total number of teachers	<u>59</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total Teachers</u>
0 to 5	11	18.64%
6 to 10	6	10.17%
11 to 20	9	15.25%
21 and over	33	55.94%
Total number of teachers	<u>59</u>	<u>100.00%</u>

Source: School District Personnel Records

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

**AVERAGE ACT SCORES
LAST TEN FISCAL YEARS**

School Year	School District English	School District Reading	School District Math	School District Science	School District Composite	School District Number Tested	Average of the State of Ohio	National Average
1999-00	22.0	23.4	22.0	22.9	22.8	44.0	21.4	21.0
1998-99	21.0	24.5	24.3	24.3	24.2	45	21.4	21.0
1997-98	21.0	22.5	22.2	21.9	22.1	58	21.4	21.0
1996-97	21.0	20.9	20.8	21.1	20.7	64	21.3	21.0
1995-96	20.9	21.6	22.6	21.7	21.8	50	21.3	20.9
1994-95	20.8	22.0	21.5	N/A	21.8	59	21.2	20.8
1993-94	20.8	21.9	22.4	N/A	22.1	22	21.2	20.8
1992-93	20.7	22.9	21.3	N/A	20.9	35	21.0	20.7
1991-92	20.6	21.7	20.7	N/A	21.3	42	20.9	20.6
1990-91	N/A	N/A	N/A	N/A	21.4	62	N/A	20.6

Source: American College Testing Program and School District Records

Cuyahoga Heights Schools

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of Cuyahoga Heights Local School District, Cuyahoga County, as of and for the year ended June 30, 2000, and have issued our report thereon dated November 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Board of Education
Cuyahoga Heights Local School District

Internal Control Over Financial Reporting

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

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

Trimble, Julian & Grube, Inc.
November 28, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
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CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 18, 2001**