

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

CUYAHOGA HEIGHTS, OHIO

LOCAL SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2002

**PREPARED BY
TREASURER'S DEPARTMENT
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Board of Education
Cuyahoga Heights Local School District
Cuyahoga Heights, Ohio

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, 2001 through June 30, 2002. 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 that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 21, 2003

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Cuyahoga Heights Schools

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INTRODUCTORY SECTION

Cuyahoga Heights Schools

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CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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Cuyahoga Heights Schools

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CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

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December 20, 2002

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

We are pleased to submit to you Cuyahoga Heights Local School District's third Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the School District (the "District") for the fiscal year ended June 30, 2002. This CAFR, which includes an opinion from the Independent Public Accounting Firm that performed the District's audit, conforms to accounting principles generally accepted in the United States of America (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 2001 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 705 public and community school districts in the State of Ohio and 42 in Cuyahoga County. It provides education to approximately 830 students in grades K-12. A half-day class for pre-school 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 fiscal 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 idle funds as specified by Ohio law.

The Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. In evaluating how to define the 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 Ohio Computer Association and Cuyahoga Valley Career Center are reported as a joint venture without equity interest and a jointly governed organization, respectively. The District is a member of the Ohio Schools' Council, a jointly governed organization, and participates in the Council's Electricity and Natural Gas purchasing program, as well as the Fleet Insurance, Property and Group Life Insurance programs. The District also participates in the Ohio School Boards Association Workers' Compensation Group Rating Program and the Suburban Health Consortium, both of which are insurance purchasing pools. See Note 2 to the general purpose financial statements for further detail on the District's reporting entity.

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 both Cuyahoga County and the State of Ohio was 4.6 percent for calendar year 2001. 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 ruled that the "school foundation program" would be legal if the parity aid portion of the formula were fully funded by July, 2002. The legislators filed a motion for "reconsideration" due to the additional expense to the State Budget and in light of the eroding economy.

On December 1, 2002, the Ohio Supreme Court again ruled that the State's "school foundation program" is unconstitutional. School districts will continue to operate 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.

LTV Steel and Wire Corporation operated under Chapter 11 between December, 2000 and February, 2002. The loss to the district has reached \$750,000, annually. The East Side plant, located within the school district was sold to I.S.G. [Independent Steel Group] for galvanizing and manufacturing of coils. The company began limited production in June, 2002. It is not possible at this time, to calculate any gain to the District. The proceeds from the sale of the property will be used to partially pay the lien holders but the value of the property as assigned by the Bankruptcy judge has been appealed. It is not known at this time, when, if any money, will be reimbursed to the District.

Birmingham Steel and Wire [a.k.a. American Steel and Wire] was sold to Charter Steel and they began limited production in June, 2002. More than 25 U.S. Steel companies have gone into bankruptcy court since late 1997 as prices plummeted. In response, the U.S. International Trade Commission has ruled that imports have harmed domestic steel makers. The Federal Government is reviewing all legislation, rules, and regulations of imports.

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

1. To infuse technology in all areas of learning (K-12).
2. To raise expectations and achievement levels in all children.
3. To develop stronger communication between students, parents, and teachers in all personal and academic matters.
4. To develop a "blueprint of success" for all children.
5. To emphasize and incorporate basic skills through problem-solving and decision making.
6. To encourage more parent involvement in all phases of their child's development.
7. To assess or audit the curriculum more frequently.

A Total Quality School

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

Professional Development

Staff development continues to be a critical component in the teaching and learning process. A committee of certified and classified staff developed a survey, which determined the direction of the 2002-2003 program. The focus will be on differentiated instruction and meeting the needs of all ability levels of children, homework, curriculum mapping, and assessment, while integrating computer technology into all areas of the curriculum.

Guidance Program

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

Curriculum and Instruction

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

Pre-Kindergarten Program

The philosophy and curriculum 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 through Four

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

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. There is one computer for every 1.5 students.
- 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 planing research on the Internet. They also participated in SchoolNet Tools training workshops: Information, Productivity, Multimedia, and Networking.
- A laptop computer cart provides 24 laptops for high school students to work in the classroom using the district network or the internet to complete projects. Students in Advanced Placement classes are provided with wireless laptop computers to use within the district and at home.
- In collaboration with 19 other districts, colleges and universities, a variety of courses are either offered or received from one site. Students at Cuyahoga Heights can participate interactively with teachers and students at three other schools.
- Computerized sewing machines in the Family and Consumer Sciences classes allow students to: 1) design their own graphics; 2) use the graphics files that came with their program; and 3) copy royalty free graphics from the internet.
- The Robotics Team competed in their first contest and finished 16th out of 69 high schools and universities in constructing and programing a robot using principles of mathematics and engineering to perform a variety of functions.

Student Assessment

Student assessment is an ongoing process that occurs continually in the classroom. Standardized testing is just one form of assessment used by our staff to help children meet their fullest potential. The most familiar example of standardized tests are the State-mandated Ohio Proficiency Tests. Ohio is one of twenty-two states in the nation to use such tests to measure academic achievement (reading, writing, math, citizenship, and science). Children are given these statewide tests in grades 4, 6, 9, and 12. The 9th grade test is the only test that is required for graduation from high school. Shown below are the results from Proficiency Tests given in the 2001-2002 school year:

Percent of Students Passing 2001-2002
State Proficiency Exam

<u>Grade</u>	<u>Writing</u>	<u>Reading</u>	<u>Math</u>	<u>Citizenship</u>	<u>Science</u>
4	85	78	89	85	77
6	92	79	80	91	76
9	98	98	91	97	93
12	100	97	97	100	97

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 object account level within a function for the general fund and at the fund account level for all other funds. 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, as well as additional information on the District's budgetary accounting, are fully described 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 \$14,552,316 for fiscal year 2002. General property taxes produced 84.30 percent of total governmental fund revenues and other financing sources. State and Federal support accounted for 9.84 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>2001</u> <u>Amount</u>	<u>2002</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
<i>Revenues and</i>					
<i><u>other financing sources</u></i>					
Taxes	\$11,922,728	\$12,267,153	84.30%	\$ 344,425	2.89%
Intergovernmental	1,166,973	1,431,689	9.84	264,716	22.68
Interest	825,453	360,192	2.48	(465,261)	(56.36)
Tuition	34,855	-	-	(34,855)	(100.00)
Extracurricular	-	68,664	.47	68,664	100.00
Other local revenues	129,553	38,471	.26	(91,082)	(70.30)
Revenue from intermediate sources	105,780	122,162	.84	16,382	15.49
Other financing sources	<u>295,401</u>	<u>263,985</u>	<u>1.81</u>	<u>(31,416)</u>	<u>(10.64)</u>
Total	<u>\$14,480,743</u>	<u>\$14,552,316</u>	<u>100.00%</u>	<u>\$ 71,573</u>	<u>.49%</u>

The increase in intergovernmental revenue is the result of increased state basic aid and federal grant funding during fiscal year 2002.

The decrease in interest revenue is due to the national economic downturn which has lowered the interest rates currently available to the District on its investments.

The decrease in tuition revenue is the result of a reduction in the number of out-of-district students enrolled during the 2001-2002 school year.

The increase in extracurricular revenue is due to the reporting of extracurricular revenue as a separate line item for fiscal year 2002. Extracurricular revenue was reported as a component of other local revenues for fiscal year 2001.

The decrease in other local revenues is the result of extracurricular revenue being reported as a separate line item for fiscal year 2002, while it was a component of other local revenues for fiscal year 2001.

The increase in revenue from intermediate sources is due to an increase in the amount of revenue received from the villages of Brooklyn Heights, Cuyahoga Heights, and Valley View. This revenue is in lieu of tax revenue lost to the District because of tax abatements granted by the villages, and is the result of agreements in which the villages share certain revenues with the District.

The decrease in other financing sources is the result of the absence of proceeds from a capital lease transaction. During fiscal 2001, the District entered into a new capital lease agreement and reported proceeds of capital lease transaction for the principal amount of the capital lease agreement. No such capital lease agreement was entered into during fiscal year 2002.

Governmental fund expenditures and other financing uses totaled \$13,646,582 for fiscal year 2002 and are summarized by major function as follows:

<i><u>Expenditures and other financing uses</u></i>	<u>2001 Amount</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent Change</u>
Current:					
Instruction:					
Regular	\$ 4,916,555	\$5,127,836	37.58%	\$ 211,281	4.29%
Special	479,447	620,265	4.55	140,818	29.37
Other	195,940	110,803	.81	(85,137)	(43.45)
Support services:					
Pupil	1,340,407	1,078,842	7.91	(261,565)	(19.51)
Instructional staff	689,281	793,181	5.81	103,900	15.07
Board of Education	80,136	241,064	1.77	160,928	200.82
Administration	1,069,044	1,116,432	8.18	47,388	4.43
Fiscal	514,475	456,560	3.35	(57,915)	(11.26)
Business	49,187	79,166	.58	29,979	60.95
Operations and maintenance	1,592,944	1,609,681	11.80	16,737	1.05
Pupil transportation	686,819	723,219	5.29	36,400	5.29
Central	54,653	79,855	.59	25,202	46.11
Community services	110,421	98,606	.72	(11,815)	(10.70)
Extracurricular activities	548,728	634,890	4.65	86,162	15.70
Facilities services	132,010	-	-	(132,010)	(100.00)
Capital outlay	27,395	-	-	(27,395)	(100.00)
Debt service:					
Principal retirement	381,347	382,463	2.80	1,116	.29
Interest and fiscal charges	254,998	231,933	1.69	(23,065)	(9.05)
Other financing uses	<u>266,786</u>	<u>261,786</u>	<u>1.92</u>	<u>(5,000)</u>	<u>(1.87)</u>
Total	<u>\$13,390,573</u>	<u>\$13,646,582</u>	<u>100.00%</u>	<u>\$ 256,009</u>	1.91%

The increase in special instruction expenditure is the result of the addition of teachers for the “Alternative Education” program.

The decrease in other instruction expenditure is due to a reduction of the cost to the District for students who attend out-of-district schools, as fewer students attended out-of-district schools than in the prior year.

The decrease in pupil support services expenditure is the result of the absence of monies spent in order to replace the middle school computer lab and purchase new laptop computers for high school students, which were present in the prior year.

The increase in instructional staff support services expenditure is due to personnel changes which resulted in additional salary and fringe benefit costs and to the use of outside consultants.

The increase in Board of Education support services expenditure is the result of architectural, engineering, and construction fees for the new elementary playground.

The decrease in fiscal support services expenditure is due to a reduction in the amount of accounts payable at fiscal year-end.

The increase in business support services expenditure is the result of additional costs related to office equipment in comparison with the prior year and an increase in the amount of accounts payable at fiscal year-end.

The increase in central support services expenditure is due to additional fees paid to the District's data acquisition site and increased printing costs.

The decrease in community services expenditure is the result of the absence of monies spent for new fitness equipment, which were present in the prior year.

The increase in extracurricular activities expenditure is due to additional salary and fringe benefit costs, the purchase of new band uniforms, and the payment of an athletic trainer.

The decrease in facilities services expenditure is the result of the completion of various construction and renovation projects in the prior year.

The decrease in capital outlay expenditure is due to the absence of a new capital lease transaction. During fiscal 2001, the District entered into a new capital lease agreement and reported capital outlay for the principal amount of the capital lease transaction. No such capital lease agreement was entered into during fiscal year 2002.

The decrease in interest and fiscal charges debt service expenditure is the result of the continued repayment of outstanding general obligation and energy conservation debt, which reduces the amount of interest and fiscal charges incurred each year.

General Fund Balance. The General fund concluded fiscal year 2002 with a fund balance of \$7,439,241, an increase of \$143,076 from the restated June 30, 2001 fund balance of \$7,296,165. Management estimates that current tax rates will be sufficient for the next two years.

Financial Highlights - Proprietary Funds. Food service, uniform school supplies, and adult education are classified as Enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of net income or loss resulting from operations that are significantly financed from user fees. In total, the Enterprise funds reported a net loss of \$(36,424) for the year ended June 30, 2002, compared to a net loss of \$(44,614) for the year ended June 30, 2001. It should be noted that the net loss includes "non-cash" depreciation expense of \$1,645. The operating loss (before intergovernmental revenue and an operating transfers) totaled \$(73,098); thus, the reliance on federal funding of the National School Lunch and Commodities Program is apparent.

The principal Internal Service fund carried on the financial records relates to self-insurance. This fund accounts for the revenues and expenses related to the provision of dental and vision benefits to the District employees. The Employee Benefits Self-Insurance fund had net income of \$72,246 for fiscal 2002 and retained earnings of \$123,345 at June 30, 2002, compared with a net loss of \$(18,318) for fiscal 2001 and retained earnings of \$51,099 at June 30, 2001. Changes in the fund's claims liability over the past 2 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, 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, 2002 was \$2,073.

Nonexpendable Trust fund assets have been endowed in perpetuity to the District. 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 2002 totaled \$3,479. As of June 30, 2002, the endowed principal amount was \$130,855, while \$10,875 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, 2002, were \$18,656,666. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

Debt Administration. At June 30, 2002, general obligation bonds outstanding totaled \$3,370,000. During the fiscal year, \$215,000 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, 2002 were \$642,364. During the fiscal year, \$141,421 of these bonds were retired. The legal debt restriction in the State of Ohio is a limit of 9 percent of assessed valuation for voted debt, .10 percent for unvoted debt, and .90 percent for energy conservation debt. As of June 30, 2002, the voted debt margin was \$44,183,167, the unvoted debt margin was \$522,192, and the energy conservation debt margin was \$4,057,364. 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, 2002 have been reported at fair value, which is based upon quoted market prices. The total amount of interest earned was \$364,759 for the year ended June 30, 2002; \$327,672 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 dental and vision 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 2002. 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 2002 contributions were \$156,942 paid as an employee portion and \$244,131 paid as the employer portion (\$401,073 total) to SERS, and \$451,522 paid as an employee portion and \$679,711 as the employer portion (\$1,131,233 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 general purpose 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 since 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, 2001. 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 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, 2001. 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 that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

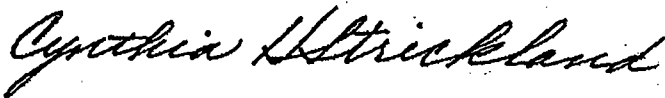
ACKNOWLEDGMENTS

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

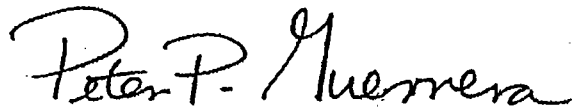
Special appreciation is expressed to Mr. Alexander Fait, of Trimble, Julian & Grube, Inc., who compiled this report; to Mrs. Tara Logan, CPA, of Trimble, Julian & Grube, who audited this report; to Mr. Stephen Euse, who designed the report cover; and to Mr. Joe Palazzo, who took the pictures for the pages dividing the report.

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

Respectfully,



Cynthia H. Strickland, RSBFO
Treasurer



Peter P. Guerrero
Superintendent

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

CUYAHOGA HEIGHTS LOCAL
SCHOOL DISTRICT

List of Principal Officials
June 30, 2002

Board of Education

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

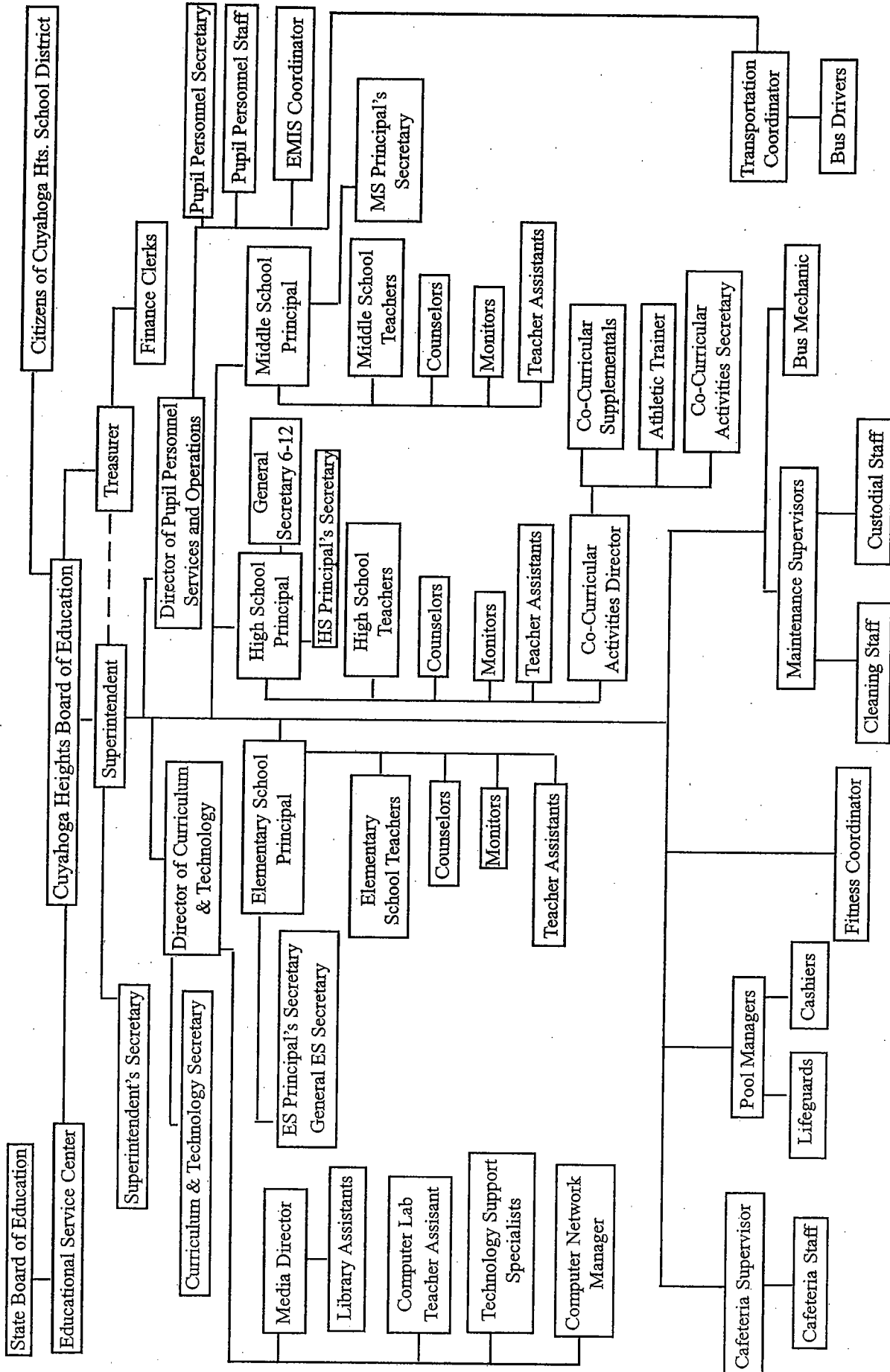
Treasurer

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

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, 2001

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.



Janet A. Crave
President

Jeffrey L. Esser
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

CUYAHOGA HEIGHTS, OHIO LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2001

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

Clark J. Schell
President

Barbara Neller
Executive Director

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

FINANCIAL SECTION

Cuyahoga Heights Schools

Excellence in Education

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of the Cuyahoga Heights Local School District, Cuyahoga County, (the "District"), as of and for the fiscal year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cuyahoga Heights Local School District, Cuyahoga County, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2002, 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 5, 2002

**GENERAL PURPOSE
FINANCIAL
STATEMENTS**

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
ASSETS:				
Equity in pooled cash and cash equivalents	\$ 7,354,855	\$ 84,053	\$ 493,411	\$ 1,198,935
Equity in pooled cash and cash equivalents- nonexpendable trust fund	-	-	-	-
Cash with fiscal agent	11,372	-	-	-
Investments	-	-	-	396,561
Receivables (net of allowances of uncollectibles):				
Property taxes-current and delinquent	14,573,697	-	622,902	-
Accounts	1,928	639	-	-
Accrued interest	137,376	-	-	5,833
Interfund loans receivable	37,738	-	-	-
Due from other governments	1,219	43,667	-	-
Materials and supplies inventory	52,537	-	-	-
Prepayments	67,927	-	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents	55,144	-	-	-
Property, plant and equipment (net of accumulated depreciation where applicable)	-	-	-	-
OTHER DEBITS:				
Amount available in debt service fund	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets and other debits	<u>\$ 22,293,793</u>	<u>\$ 128,359</u>	<u>\$ 1,116,313</u>	<u>\$ 1,601,329</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable	\$ 100,866	\$ 3,376	\$ -	\$ 29,070
Contracts payable	11,372	-	-	-
Accrued wages and benefits	1,217,215	725	-	-
Compensated absences payable	34,697	-	-	-
Pension obligation payable	153,969	101	-	-
Interfund loans payable	-	37,738	-	-
Deferred revenue	13,270,947	30,419	560,424	3,590
Due to other governments	65,486	195	-	-
Due to students	-	-	-	-
Claims payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Energy conservation bonds payable	-	-	-	-
Obligation under capital lease	-	-	-	-
Total liabilities	<u>14,854,552</u>	<u>72,554</u>	<u>560,424</u>	<u>32,660</u>
EQUITY AND OTHER CREDITS:				
Investment in general fixed assets	-	-	-	-
Retained earnings (accumulated deficit): unreserved	-	-	-	-
Fund balances:				
Reserved for encumbrances	412,546	26,851	-	140,398
Reserved for materials and supplies inventory	52,537	-	-	-
Reserved for prepayments	67,927	-	-	-
Reserved for debt service	-	-	508,963	-
Reserved for tax revenue unavailable for appropriation	1,042,802	-	46,926	-
Reserved for BWC refunds	55,144	-	-	-
Reserved for principal endowment	-	-	-	-
Reserved for scholarships	-	-	-	-
Unreserved-undesignated	5,808,285	28,954	-	1,428,271
Total equity and other credits	<u>7,439,241</u>	<u>55,805</u>	<u>555,889</u>	<u>1,568,669</u>
Total liabilities, equity and other credits	<u>\$ 22,293,793</u>	<u>\$ 128,359</u>	<u>\$ 1,116,313</u>	<u>\$ 1,601,329</u>

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 5,752	\$ 142,494	\$ 47,981	\$ -	\$ -	\$ 9,327,481
-	-	141,730	-	-	141,730
-	-	-	-	-	11,372
-	-	-	-	-	396,561
-	-	-	-	-	15,196,599
117	-	-	-	-	2,684
-	-	-	-	-	143,209
-	-	-	-	-	37,738
1,298	-	-	-	-	46,184
9,148	-	-	-	-	61,685
-	-	-	-	-	67,927
-	-	-	-	-	55,144
11,666	-	-	18,656,666	-	18,668,332
-	-	-	-	555,889	555,889
-	-	-	-	4,675,673	4,675,673
<u>\$ 27,981</u>	<u>\$ 142,494</u>	<u>\$ 189,711</u>	<u>\$ 18,656,666</u>	<u>\$ 5,231,562</u>	<u>\$ 49,388,208</u>
\$ 789	\$ -	\$ 119	\$ -	\$ -	\$ 134,220
-	-	-	-	-	11,372
12,179	-	-	-	-	1,230,119
14,692	-	-	-	1,194,773	1,244,162
3,568	-	-	-	7,803	165,441
-	-	-	-	-	37,738
4,488	1,165	-	-	-	13,871,033
473	-	5,862	-	-	72,016
-	-	39,927	-	-	39,927
-	19,017	-	-	-	19,017
-	-	-	-	3,370,000	3,370,000
-	-	-	-	642,364	642,364
-	-	-	-	16,622	16,622
<u>36,189</u>	<u>20,182</u>	<u>45,908</u>	<u>-</u>	<u>5,231,562</u>	<u>20,854,031</u>
-	-	-	18,656,666	-	18,656,666
(8,208)	122,312	-	-	-	114,104
-	-	200	-	-	579,995
-	-	-	-	-	52,537
-	-	-	-	-	67,927
-	-	-	-	-	508,963
-	-	-	-	-	1,089,728
-	-	-	-	-	55,144
-	-	130,855	-	-	130,855
-	-	10,875	-	-	10,875
-	-	1,873	-	-	7,267,383
<u>(8,208)</u>	<u>122,312</u>	<u>143,803</u>	<u>18,656,666</u>	<u>-</u>	<u>28,534,177</u>
<u>\$ 27,981</u>	<u>\$ 142,494</u>	<u>\$ 189,711</u>	<u>\$ 18,656,666</u>	<u>\$ 5,231,562</u>	<u>\$ 49,388,208</u>

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CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
From local sources:						
Taxes	\$ 10,701,194	\$ -	\$ 447,833	\$ 1,118,126	\$ -	\$ 12,267,153
Earnings on investments	327,672	111	-	32,409	502	360,694
Extracurricular	-	68,664	-	-	-	68,664
Other local revenues	24,382	12,889	-	1,200	230	38,701
Revenue from intermediate sources	118,162	4,000	-	-	-	122,162
Intergovernmental-State	1,340,298	29,094	28,729	10,500	-	1,408,621
Intergovernmental-Federal	-	23,068	-	-	-	23,068
Total revenues	<u>12,511,708</u>	<u>137,826</u>	<u>476,562</u>	<u>1,162,235</u>	<u>732</u>	<u>14,289,063</u>
Expenditures:						
Current:						
Instruction:						
Regular	5,122,299	5,446	-	91	-	5,127,836
Special	555,138	65,127	-	-	-	620,265
Other	110,803	-	-	-	-	110,803
Support services:						
Pupil	883,433	41,783	-	153,626	-	1,078,842
Instructional staff	731,670	10,850	-	50,661	-	793,181
Board of Education	241,064	-	-	-	-	241,064
Administration	1,115,409	1,023	-	-	-	1,116,432
Fiscal	456,560	-	-	-	-	456,560
Business	74,441	-	-	4,725	-	79,166
Operations and maintenance	1,394,249	-	-	215,432	-	1,609,681
Pupil transportation	723,219	-	-	-	-	723,219
Central	44,168	28,301	-	7,386	-	79,855
Community services	98,606	-	-	-	1,001	99,607
Extracurricular activities	527,816	107,074	-	-	-	634,890
Debt service:						
Principal retirement	26,042	-	356,421	-	-	382,463
Interest and fiscal charges	1,320	-	230,613	-	-	231,933
Total expenditures	<u>12,106,237</u>	<u>259,604</u>	<u>587,034</u>	<u>431,921</u>	<u>1,001</u>	<u>13,385,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>405,471</u>	<u>(121,778)</u>	<u>(110,472)</u>	<u>730,314</u>	<u>(269)</u>	<u>903,266</u>
Other financing sources (uses):						
Operating transfers in	-	80,000	181,786	-	-	261,786
Operating transfers out	(261,786)	-	-	-	-	(261,786)
Proceeds from sale of fixed assets	2,199	-	-	-	-	2,199
Total other financing sources	<u>(259,587)</u>	<u>80,000</u>	<u>181,786</u>	<u>-</u>	<u>-</u>	<u>2,199</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	145,884	(41,778)	71,314	730,314	(269)	905,465
Fund balances (restated), July 1	7,296,165	97,583	484,575	838,355	2,342	8,719,020
Decrease in reserve for inventory	(2,808)	-	-	-	-	(2,808)
Fund balances, June 30	<u>\$ 7,439,241</u>	<u>\$ 55,805</u>	<u>\$ 555,889</u>	<u>\$ 1,568,669</u>	<u>\$ 2,073</u>	<u>\$ 9,621,677</u>

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED STATEMENT OF 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, 2002

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes	\$ 9,678,421	\$ 9,678,421	\$ -	\$ -	\$ -	\$ -
Earnings on investments	491,710	371,472	(120,238)	135	111	(24)
Extracurricular	-	-	-	77,735	68,663	(9,072)
Other local revenues	21,334	16,117	(5,217)	14,143	12,646	(1,497)
Revenue from intermediate sources	156,409	118,162	(38,247)	2,039	2,000	(39)
Intergovernmental - State	1,745,232	1,339,079	(406,153)	43,664	29,419	(14,245)
Intergovernmental - Federal	-	-	-	11,897	11,495	(402)
Total revenues.	<u>12,093,106</u>	<u>11,523,251</u>	<u>(569,855)</u>	<u>149,613</u>	<u>124,334</u>	<u>(25,279)</u>
Expenditures:						
Current:						
Instruction:						
Regular	5,422,497	5,217,137	205,360	5,420	5,420	-
Special.	559,026	554,803	4,223	78,017	74,078	3,939
Other.	286,215	281,307	4,908	-	-	-
Support services:						
Pupil.	928,196	911,969	16,227	31,128	33,142	(2,014)
Instructional staff	831,142	770,814	60,328	20,817	13,691	7,126
Board of Education	249,151	240,846	8,305	-	-	-
Administration	1,189,471	1,156,688	32,783	1,196	1,901	(705)
Fiscal.	509,566	492,711	16,855	-	-	-
Business.	116,430	100,752	15,678	-	-	-
Operations and maintenance	1,612,928	1,527,090	85,838	3,500	3,500	-
Pupil transportation	786,344	733,624	52,720	-	-	-
Central.	81,340	47,130	34,210	29,182	29,182	-
Community services	120,910	108,689	12,221	-	-	-
Extracurricular activities	555,119	524,804	30,315	133,739	130,202	3,537
Facilities acquisition and construction	-	-	-	567	-	567
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>13,248,335</u>	<u>12,668,364</u>	<u>579,971</u>	<u>303,566</u>	<u>291,116</u>	<u>12,450</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,155,229)</u>	<u>(1,145,113)</u>	<u>10,116</u>	<u>(153,953)</u>	<u>(166,782)</u>	<u>(12,829)</u>
Other financing sources (uses):						
Advances in	19,855	15,000	(4,855)	37,738	37,738	-
Advances out.	(37,738)	(37,738)	-	-	-	-
Operating transfers in	-	-	-	92,842	80,000	(12,842)
Operating transfers out.	(265,000)	(261,786)	3,214	-	-	-
Proceeds from sale of fixed assets	2,911	2,199	(712)	-	-	-
Refund of prior year receipts.	(5,000)	-	5,000	-	-	-
Refund of prior year expenditures	8,110	6,127	(1,983)	525	515	(10)
Total other financing sources (uses).	<u>(276,862)</u>	<u>(276,198)</u>	<u>664</u>	<u>131,105</u>	<u>118,253</u>	<u>(12,852)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	<u>(1,432,091)</u>	<u>(1,421,311)</u>	<u>10,780</u>	<u>(22,848)</u>	<u>(48,529)</u>	<u>(25,681)</u>
Fund balances, July 1	7,741,619	7,741,619	-	64,225	64,225	-
Prior year encumbrances appropriated.	<u>577,404</u>	<u>577,404</u>	<u>-</u>	<u>38,130</u>	<u>38,130</u>	<u>-</u>
Fund balances, June 30	<u>\$ 6,886,932</u>	<u>\$ 6,897,712</u>	<u>\$ 10,780</u>	<u>\$ 79,507</u>	<u>\$ 53,826</u>	<u>\$ (25,681)</u>

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

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)
\$ 404,063	\$ 404,063	\$ -	\$ 1,465,296	\$ 1,118,126	\$ (347,170)	\$ 11,547,780	\$ 11,200,610	\$ (347,170)
-	-	-	73,001	29,172	(43,829)	564,846	400,755	(164,091)
-	-	-	-	-	-	77,735	68,663	(9,072)
-	-	-	1,573	1,200	(373)	37,050	29,963	(7,087)
-	-	-	-	-	-	158,448	120,162	(38,286)
28,729	28,729	-	28,500	10,500	(18,000)	1,846,125	1,407,727	(438,398)
-	-	-	-	-	-	11,897	11,495	(402)
<u>432,792</u>	<u>432,792</u>	<u>-</u>	<u>1,568,370</u>	<u>1,158,998</u>	<u>(409,372)</u>	<u>14,243,881</u>	<u>13,239,375</u>	<u>(1,004,506)</u>
-	-	-	91	91	-	5,428,008	5,222,648	205,360
-	-	-	-	-	-	637,043	628,881	8,162
-	-	-	-	-	-	286,215	281,307	4,908
-	-	-	308,222	342,503	(34,281)	1,267,546	1,287,614	(20,068)
-	-	-	91,925	53,470	38,455	943,884	837,975	105,909
-	-	-	500	-	500	249,651	240,846	8,805
-	-	-	-	-	-	1,190,667	1,158,589	32,078
-	-	-	-	-	-	509,566	492,711	16,855
-	-	-	4,925	4,725	200	121,355	105,477	15,878
-	-	-	258,407	300,039	(41,632)	1,874,835	1,830,629	44,206
-	-	-	-	-	-	786,344	733,624	52,720
-	-	-	10,500	3,125	7,375	121,022	79,437	41,585
-	-	-	-	-	-	120,910	108,689	12,221
-	-	-	-	-	-	688,858	655,006	33,852
-	-	-	152,893	27,893	125,000	153,460	27,893	125,567
356,421	356,421	-	-	-	-	356,421	356,421	-
234,579	230,613	3,966	-	-	-	234,579	230,613	3,966
<u>591,000</u>	<u>587,034</u>	<u>3,966</u>	<u>827,463</u>	<u>731,846</u>	<u>95,617</u>	<u>14,970,364</u>	<u>14,278,360</u>	<u>692,004</u>
<u>(158,208)</u>	<u>(154,242)</u>	<u>3,966</u>	<u>740,907</u>	<u>427,152</u>	<u>(313,755)</u>	<u>(726,483)</u>	<u>(1,038,985)</u>	<u>(312,502)</u>
-	-	-	-	-	-	57,593	52,738	(4,855)
-	-	-	-	-	-	(37,738)	(37,738)	-
181,786	181,786	-	-	-	-	274,628	261,786	(12,842)
-	-	-	-	-	-	(265,000)	(261,786)	3,214
-	-	-	-	-	-	2,911	2,199	(712)
-	-	-	-	-	-	(5,000)	-	5,000
-	-	-	-	-	-	8,635	6,642	(1,993)
<u>181,786</u>	<u>181,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,029</u>	<u>23,841</u>	<u>(12,188)</u>
23,578	27,544	3,966	740,907	427,152	(313,755)	(690,454)	(1,015,144)	(324,690)
465,867	465,867	-	570,219	570,219	-	8,841,930	8,841,930	-
-	-	-	409,372	409,372	-	1,024,906	1,024,906	-
<u>\$ 489,445</u>	<u>\$ 493,411</u>	<u>\$ 3,966</u>	<u>\$ 1,720,498</u>	<u>\$ 1,406,743</u>	<u>\$ (313,755)</u>	<u>\$ 9,176,382</u>	<u>\$ 8,851,692</u>	<u>\$ (324,690)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)/FUND BALANCE
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	
Operating revenues:				
Sales and charges for services	\$ 170,637	\$ 1,071,960	\$ -	\$ 1,242,597
Investment earnings	-	-	3,479	3,479
Other	<u>170</u>	<u>2,412</u>	<u>17,069</u>	<u>19,651</u>
Total operating revenues	<u>170,807</u>	<u>1,074,372</u>	<u>20,548</u>	<u>1,265,727</u>
Operating expenses:				
Personal services	138,008	-	-	138,008
Contract services	1,706	4,392	-	6,098
Materials and supplies	102,546	-	-	102,546
Depreciation	1,645	-	-	1,645
Claims expense	-	985,595	-	985,595
Other	<u>-</u>	<u>12,915</u>	<u>5,422</u>	<u>18,337</u>
Total operating expenses	<u>243,905</u>	<u>1,002,902</u>	<u>5,422</u>	<u>1,252,229</u>
Operating income (loss)	<u>(73,098)</u>	<u>71,470</u>	<u>15,126</u>	<u>13,498</u>
Nonoperating revenues (expenses):				
Operating grants	22,289	-	-	22,289
Federal commodities	13,849	-	-	13,849
Interest revenue	586	-	-	586
Loss on disposal of assets	<u>(50)</u>	<u>-</u>	<u>-</u>	<u>(50)</u>
Total nonoperating revenues (expenses)	<u>36,674</u>	<u>-</u>	<u>-</u>	<u>36,674</u>
Net income (loss)	(36,424)	71,470	15,126	50,172
Retained earnings/fund balance, July 1	<u>28,216</u>	<u>50,842</u>	<u>126,604</u>	<u>205,662</u>
Retained earnings (accumulated deficit)/ fund balance, June 30	<u>\$ (8,208)</u>	<u>\$ 122,312</u>	<u>\$ 141,730</u>	<u>\$ 255,834</u>

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Proprietary Fund Types		Fiduciary Fund Type	Total
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)
Cash flows from operating activities:				
Cash received from sales and service charges	\$ 170,637	\$ 1,072,736	\$ -	\$ 1,243,373
Cash received from other operations.	53	2,412	18,347	20,812
Cash payments for personal services.	(138,690)	-	-	(138,690)
Cash payments for contract services	(1,706)	(4,392)	-	(6,098)
Cash payments for materials and supplies	(89,070)	-	-	(89,070)
Cash payments for claims expenses	-	(988,112)	-	(988,112)
Cash payments for other operations	-	(12,915)	(6,149)	(19,064)
Net cash provided by (used in) operating activities.	<u>(58,776)</u>	<u>69,729</u>	<u>12,198</u>	<u>23,151</u>
Cash flows from noncapital financing activities:				
Cash received from operating grants	20,991	-	-	20,991
Cash payments for interfund loans	(15,000)	-	-	(15,000)
Net cash provided by noncapital financing activities.	<u>5,991</u>	<u>-</u>	<u>-</u>	<u>5,991</u>
Cash flows from investing activities:				
Interest received.	586	-	3,479	4,065
Net cash provided by investing activities.	<u>586</u>	<u>-</u>	<u>3,479</u>	<u>4,065</u>
Net increase (decrease) in cash and cash equivalents.	(52,199)	69,729	15,677	33,207
Cash and cash equivalents at beginning of year	57,951	72,765	126,053	256,769
Cash and cash equivalents at end of year.	<u>\$ 5,752</u>	<u>\$ 142,494</u>	<u>\$ 141,730</u>	<u>\$ 289,976</u>
Reconciliation of operating income (loss)				
to net cash provided by (used in) operating activities:				
Operating income (loss).	\$ (73,098)	\$ 71,470	\$ 15,126	\$ 13,498
Adjustments to reconcile operating income (loss)				
to net cash provided by (used in) operating activities:				
Depreciation	1,645	-	-	1,645
Federal donated commodities	13,849	-	-	13,849
Interest reported as operating income	-	-	(3,479)	(3,479)
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable.	(117)	-	1,574	1,457
Increase in materials and supplies inventory.	(2,198)	-	-	(2,198)
Increase (decrease) in accounts payable	291	-	(1,023)	(732)
Decrease in accrued wages and benefits	(2,960)	-	-	(2,960)
Decrease in compensated absences payable	(568)	-	-	(568)
Increase in pension obligation payable.	2,373	-	-	2,373
Increase in due to other governments	473	-	-	473
Increase in deferred revenue	1,534	776	-	2,310
Decrease in claims payable.	-	(2,517)	-	(2,517)
Net cash provided by (used in) operating activities.	<u>\$ (58,776)</u>	<u>\$ 69,729</u>	<u>\$ 12,198</u>	<u>\$ 23,151</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 GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

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

The District ranks as the 537th largest by enrollment among the 705 public and community school districts in the state. It currently operates 1 elementary school, 1 middle school and 1 comprehensive high school. The District employs 60 non-certified and 70 certified (including administrative) full-time and part-time employees to provide services to approximately 830 students from pre-school (age 4) to grade 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements (GPFS) of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued prior to November 30, 1989 to its proprietary activities unless those pronouncements conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

A. The Reporting Entity

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

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

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

JOINTLY GOVERNED ORGANIZATIONS

Ohio Schools' Council

The Ohio Schools' Council Association (Council) is a jointly governed organization among 83 school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

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

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

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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

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

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

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase 12 years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

Cuyahoga Valley Career Center

The Cuyahoga Valley Career Center (the "Center") 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 Center 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 Center on a tuition-free basis. Each school district's control is limited to its representation on the board. Financial information can be obtained by contacting the Cuyahoga Valley Career Center, 8001 Brecksville Road, Brecksville, OH 44141.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

Lakeshore Northeast Ohio Computer Association

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

INSURANCE PURCHASING POOLS

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the Plan) was established through the Ohio School Boards Association (OSBA) as a group purchasing pool. The Plan's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the Plan. Each year, the participating school district pay an enrollment fee to the Plan to cover the costs of administering the program.

Suburban Health Consortium

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

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

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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

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

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

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

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 - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

PROPRIETARY FUNDS

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

Enterprise Funds - The 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. The expendable trust fund is accounted for in essentially the same manner as governmental funds. The nonexpendable trust fund is 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.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

ACCOUNT GROUPS

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

General Fixed Assets Account Group - This group of accounts is established to account for all fixed assets of the District, other than those accounted for in the proprietary funds and nonexpendable trust funds.

General Long-Term Obligations Account Group - This group of accounts is established to account for all long-term obligations of the District, except those accounted for in the proprietary funds and nonexpendable trust funds.

C. Measurement Focus/Basis of Accounting

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

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, 2002, and which are intended to finance fiscal 2003 operations, have been recorded as deferred revenues.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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

Delinquent property taxes measurable and available (received within sixty days) and amounts available as advances on future tax settlements are recognized as revenue at year-end. Taxes available for advance and recognized as revenue, but not received by the District prior to June 30, 2002, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and the resources are available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met and the resources are available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

The District is party to a tax abatement agreement between the Villages of Cuyahoga Heights, Brooklyn Heights and Valley View. 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, 2002, the District has received a total of \$1,118,126 as a result of this agreement.

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.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

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

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

On the accrual basis of accounting, revenue from nonexchange transactions, such as grants, entitlements and donations, is recognized in the fiscal year in which all eligibility requirements have been met. The proprietary funds do not receive revenue from property taxes.

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 2002 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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

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 2002.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures for the general fund and at the fund level of expenditures for all other funds, which are the legal levels of budgetary control. Although the legal levels of budgetary control have been established at the fund, function, and object level of expenditures for the general fund and at the fund level of expenditures for all other funds, 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, function, and object for the general fund and by fund for all other funds must be within the estimated resources as certified by the County Budget Commission and the total expenditures may not exceed the appropriation totals.
5. All funds, other than agency funds, are legally required to be budgeted and appropriated. Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.
6. Any revisions that alter the total of any fund, function, or object level appropriation for the general fund, or that alter the total of any fund appropriation for all other funds must be approved by the Board of Education.

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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

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 2002.
9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not legally exceed budgeted appropriations at the fund, function, and object level for the general fund or at the fund level for all other funds.

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 general purpose financial statements.

E. Cash and Cash Equivalents

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

During fiscal 2002, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), certificates of deposit, and federal agency securities. All investments of the District had a maturity date of two years or less from the date of purchase.

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

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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

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, 2002.

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2002 totaled \$327,672 which included \$42,095 assigned from other funds of the District.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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 fiscal year-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>
Equipment and furniture	5 - 20

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

I. 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.

J. 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.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

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

K. Fund Equity

Reserved fund balances indicate that a portion of fund equity 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 BWC refunds. In addition, although the nonexpendable trust fund uses the total economic resources measurement focus, 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.

L. 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.

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CUYAHOGA COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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

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 2002, is presented in Note 5.

M. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. These restricted assets represent monies set aside for BWC refunds. A fund balance reserve has also been established (see Note 19).

N. 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.

O. Memorandum Only - Total Columns

Total columns on the GPFS 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

A. Prior Period Adjustment

During fiscal year 1999, the general fund advanced \$300,000 to the District Managed Activity fund. In fiscal year 2002, the District decided that this money did not need to be repaid and the Board of Education passed a resolution to convert the advance to a transfer. Consequently, a prior period adjustment is required to properly state fund balance at June 30, 2001 in the general fund and special revenue funds. The effect of this prior period adjustment on fund balances as previously reported at June 30, 2001 is as follows:

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

	<u>General</u>	<u>Special Revenue</u>
Fund balances as reported at June 30, 2001	\$7,596,165	\$(202,417)
Adjustment for advance	(300,000)	300,000
Restated fund balances as of July 1, 2001	\$7,296,165	\$ 97,583

B. Deficit Fund Balances/Retained Earnings

Fund balances/retained earnings at June 30, 2002, included the following individual fund deficits:

	<u>Deficit Balance</u>
<u>Special Revenue Funds</u>	
Management Information Systems	\$ 124
Title I	27,370
Title VI	3,075
 <u>Enterprise Fund</u>	
Food Service	12,918
 <u>Internal Service Fund</u>	
Internal Services Rotary	1,033

These GAAP-basis deficits 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. These funds did comply with state statute which does not allow for a negative fund balance at year-end.

C. Agency Funds

The following is an accrual for an agency fund, which, in another fund type, would be recognized on the combined balance sheet:

<u>LIABILITIES</u>	
Accounts payable	\$119

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Cash on Hand: At fiscal year-end, the District had \$930 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, \$11,372 was on deposit with the District's fiscal agent for natural gas purchases and is 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".

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

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

Deposits: At year-end, the carrying amount of the District’s deposits was \$6,309,263 and the bank balance was \$6,517,010. Both amounts include \$5,000,000 in non-negotiable certificates of deposit. Of the bank balance:

1. \$300,000 was covered by federal depository insurance; and
2. \$6,217,010 was uninsured and uncollateralized as defined by GASB although it was secured by collateral held by third party trustees, pursuant to Section 135.81, Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

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

	Category of Risk 2	Fair Value
Federal agency securities	\$1,273,564	\$1,273,564
Not subject to categorization:		
Investment in STAR Ohio	-	2,348,531
Total investments	\$1,273,564	\$3,622,095

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

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

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

	<u>Equity in Pooled Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$ 9,524,355	\$ 396,561
Investments of the cash management pool:		
Federal agency securities	(877,003)	877,003
Investment in STAR Ohio	(2,348,531)	2,348,531
Cash with fiscal agent	11,372	-
Cash on hand	<u>(930)</u>	<u>-</u>
 GASB Statement No. 3	 <u>\$ 6,309,263</u>	 <u>\$3,622,095</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. The following is a reconciliation of the District's operating transfers for fiscal year 2002:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$261,786
 <u>Special Revenue Funds</u>		
District Managed Activity	60,000	-
Management Information Systems	20,000	-
 <u>Debt Service Fund</u>		
Bond Retirement	<u>181,786</u>	<u>-</u>
 Total	 <u>\$261,786</u>	 <u>\$261,786</u>

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund balances at June 30, 2002 consist of the following individual interfund loans receivable and payable:

	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$37,738	\$ -
<u>Special Revenue Funds</u>		
Title I	-	33,443
Title VI	-	4,295
Total	<u>\$37,738</u>	<u>\$37,738</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 varying rates of true value.

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

The assessed value upon which the 2001 taxes were collected was \$522,191,973. Agricultural/residential and public utility/minerals real estate represented 15.6% or \$81,271,550 of this total; Commercial & industrial real estate represented 36.1% or \$188,458,070 of this total, public utility tangible represented 6.7% or \$34,947,430 of this total and general tangible property represented 41.6% or \$217,514,923 of this total. The voted general tax rate at the fiscal year ended June 30, 2002 was \$22.90 per \$1,000.00 of assessed valuation for operations and \$0.90 per \$1,000.00 of assessed valuation for debt service.

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 6 - PROPERTY TAXES - (Continued)

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, 2002. 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, 2002, 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, 2002 totaled \$1,042,802 in the general fund and \$46,926 in the debt service fund.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2002 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, interfund loans, and intergovernmental grants (to the extent eligibility requirements have been met by fiscal year-end). Intergovernmental grants receivable have been presented as "Due From Other Governments" on the combined balance sheet. Taxes and intergovernmental receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of state programs.

A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - current and delinquent	\$14,573,697
Accrued interest	137,376
Interfund loans	37,738

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 7 - RECEIVABLES - (Continued)

	<u>Amounts</u>
<u>Special Revenue Funds</u>	
Due from other governments	\$ 43,667
 <u>Debt Service Fund</u>	
Taxes - current and delinquent	622,902

NOTE 8 - FIXED ASSETS

A summary of the changes in the general fixed asset account group during the fiscal year follows:

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2002</u>
Land and improvements	\$ 1,935,137	\$ -	\$ -	\$ 1,935,137
Buildings and improvements	12,914,725	-	-	12,914,725
Equipment and furniture	2,623,696	312,287	(142,107)	2,793,876
Vehicles	811,278	158,442	(90,553)	879,167
Construction in progress	27,893	105,868	-	133,761
 Total	 <u>\$18,312,729</u>	 <u>\$576,597</u>	 <u>\$(232,660)</u>	 <u>\$18,656,666</u>

The District's construction in progress at June 30, 2002, consisted of various ongoing projects.

A summary of the proprietary fund fixed assets at June 30, 2002, follows:

Equipment and furniture	\$ 79,473
Less: accumulated depreciation	<u>(67,807)</u>
Net fixed assets	<u>\$ 11,666</u>

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the District 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.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

Capital lease payments have been reclassified and are reflected as debt service expenditures in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the general fixed asset account group in the amount of \$171,000, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in the 2002 fiscal year totaled \$26,042. 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, 2002.

General Long-Term Obligations

Year Ending <u>June 30</u>	<u>Copiers</u>
2003	\$ 9,891
2004	<u>7,128</u>
Total future minimum lease payments	17,019
Less: amount representing interest	<u>(397)</u>
Present value of future minimum lease payments	<u>\$16,622</u>

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

NOTE 10 - LONG-TERM OBLIGATIONS

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

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

A. The following is a description of the District bonds outstanding as of June 30, 2002:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 07/01/01</u>	<u>Retired in Fiscal 2002</u>	<u>Bonds Outstanding 06/30/02</u>
General obligation bonds	5.63%	03/01/93	12/01/12	\$3,585,000	\$(215,000)	\$3,370,000
Energy conservation bonds	5.15%	04/18/96	12/01/05	<u>783,785</u>	<u>(141,421)</u>	<u>642,364</u>
Total				<u>\$4,368,785</u>	<u>\$(356,421)</u>	<u>\$4,012,364</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>
2003	\$ 225,000	\$ 179,795	\$148,704	\$33,082	\$ 586,581
2004	240,000	168,395	156,362	25,423	590,180
2005	255,000	155,765	164,415	17,371	592,551
2006	265,000	142,113	172,883	8,903	588,899
2007	285,000	127,395	-	-	412,395
2008 - 2012	1,695,000	368,363	-	-	2,063,363
2013	<u>405,000</u>	<u>11,543</u>	<u>-</u>	<u>-</u>	<u>416,543</u>
Total	<u>\$3,370,000</u>	<u>\$1,153,369</u>	<u>\$642,364</u>	<u>\$84,779</u>	<u>\$5,250,512</u>

C. During the year ended June 30, 2002, the following changes occurred in liabilities reported in the general long-term obligations account group. Compensated absences will ultimately be paid from the fund from which the employee is paid.

	<u>Balance 07/01/2001</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06/30/2002</u>
Compensated absences	\$1,146,371	\$159,675	\$(111,273)	\$1,194,773
General obligation bonds	3,585,000	-	(215,000)	3,370,000
Energy conservation bonds	783,785	-	(141,421)	642,364
Capital lease obligation	42,664	-	(26,042)	16,622
Pension benefit obligation	<u>-</u>	<u>7,803</u>	<u>-</u>	<u>7,803</u>
Total	<u>\$5,557,820</u>	<u>\$167,478</u>	<u>\$(493,736)</u>	<u>\$5,231,562</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

D. Legal Debt Margin

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

The effects of these debt limitations at June 30, 2002, are a voted debt margin of \$44,183,167 (including available funds of \$493,411), an unvoted debt margin of \$522,192, and an unvoted energy conservation debt margin of \$4,057,364.

NOTE 11 - RISK MANAGEMENT

A. Dental and Vision Insurance

The District has established a Self Insurance fund (an internal service fund) to account for and finance its uninsured risks of loss for dental and vision plans offered to employees. Under this program, the Self Insurance fund provides coverage for up to an annual maximum of \$35,000 for each claim, capped at \$967,225 annually for all claims. The plan is administered by Findley Davies, Inc. Through Findley Davies, Inc., the District purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the District participate in the program and make payments to the Self Insurance fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). Findley Davies, Inc., the District's independent third-party administrator, has actuarially determined that \$17,653 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, 2002.

Findley Davies, Inc., with the assistance of actuarial analysis, establishes premium rates for dental and vision insurance based upon plan specifics. Premiums are used to establish "reserves", which are necessary in order to pay claims. At June 30, 2002, the District had no reserves available.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of \$19,017 reported in the Fund at June 30, 2002, 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 for the current and past fiscal year 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>
2002	\$91,357	\$915,772	\$988,112	\$19,017
2001	99,887	338,755	347,285	91,357

B. Employee Health Benefits

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

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

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 11 - RISK MANAGEMENT - (Continued)

C. Comprehensive

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

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible (Per Occurrence)</u>	<u>Coverage Limitations</u>
Ohio Casualty Insurance Co.	Blanket bond	\$ 100	\$ 5,000 per employee
Crum & Forster	Commercial property	1,000	37,338,696
Travelers Insurance Co.	Boiler and machinery	1,000	30,000,000
Crum & Forster	Inland marine	250	Varies
Nationwide Insurance Co.	Fleet	1,000	2,000,000
Nationwide Insurance Co.	General and 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 2001.

D. Workers' Compensation

For fiscal year 2002, 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
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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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, 2002:

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>Total Enterprise Funds</u>
Total operating revenues	\$168,645	\$2,162	\$ -	\$170,807
Depreciation expense	1,645	-	-	1,645
Total operating expenses	241,566	2,339	-	243,905
Operating loss	(72,921)	(177)	-	(73,098)
Non-operating revenue:				
Operating grants	22,289	-	-	22,289
Federal donated commodities	13,849	-	-	13,849
Investment earnings	586	-	-	586
Net loss	(36,247)	(177)	-	(36,424)
Net working capital	(7,677)	3,188	1,522	(2,967)
Fixed assets:				
Deletions	2,901	-	-	2,901
Total assets	23,271	3,188	1,522	27,981
Long-term liabilities				
payable from fund revenues	16,907	-	-	16,907
Total liabilities	36,189	-	-	36,189
Total fund equity	(12,918)	3,188	1,522	(8,208)
Encumbrances outstanding as of 6/30/02	163	-	-	163

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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 administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided 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, 300 East Broad Street, Columbus, Ohio 43215, or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute at an actuarially determined rate, which was 14% for 2002; 5.46% 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, 2002, 2001, and 2000 were \$244,131, \$315,860, and \$291,371, respectively; 100% has been contributed for all three fiscal years.

B. State Teachers Retirement System

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

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 9.5% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$679,711, \$782,224, and \$750,942, respectively; 100% has been contributed for all three fiscal years.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2002, members of the Board of Education have elected SERS.

NOTE 14 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through STRS, and to retired non-certified employees and their dependents through SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by state statute. Both STRS and SERS 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 pay a portion of the 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. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve fund. For the District, this amount equaled \$218,479 during fiscal 2002.

STRS pays health care benefits from the Health Care Reserve fund. The balance in the Health Care Reserve fund was \$3.256 billion at June 30, 2001 (the latest information available). For the fiscal year ended June 30, 2001 (the latest information available), net health care costs paid by STRS were \$300.772 million and STRS had 102,132 eligible benefit recipients.

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
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NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

For this fiscal year, employer contributions to fund health care benefits were 8.54 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. 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, 2001 (the latest information available), were \$161.440 million and the target level was \$242.2 million. At June 30, 2001 (the latest information available), SERS had net assets available for payment of health care benefits of \$315.7 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$159,352 during the 2002 fiscal year.

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 Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Comparison (Non-GAAP Budgetary Basis) - 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);

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
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NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

	Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses			
	<u>Governmental Fund Types</u>			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
Budget basis	\$(1,421,311)	\$(48,529)	\$27,544	\$427,152
Net adjustment for revenue accruals	988,457	13,492	43,770	3,237
Net adjustment for expenditure accruals	48,843	1,285	-	107,733
Net adjustment for other financing sources/(uses)	16,611	(38,253)	-	-
Adjustment for encumbrances	<u>513,284</u>	<u>30,227</u>	<u>-</u>	<u>192,192</u>
GAAP basis	<u>\$ 145,884</u>	<u>\$(41,778)</u>	<u>\$71,314</u>	<u>\$730,314</u>

**CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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, 2002.

B. Litigation

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

C. School Funding Decision

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

A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a timeline for distribution is not specified.

Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

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

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

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 16 - CONTINGENCIES - (Continued)

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The District is currently unable to determine what effect, if any, this decision will have on its future state funding and on its financial operations.

NOTE 17 - LEASE AGREEMENT

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

NOTE 18 - SIGNIFICANT SUBSEQUENT EVENTS

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

Cuyahoga Heights Local School District, Cleveland City School District, the City of Cleveland, and the Cuyahoga county Prosecutor filed a joint objection in the Bankruptcy Court as to the valuation of Cleveland Works for the distribution of the proceeds of the sale of all LTV assets. The Cleveland works valuation was appraised at \$0 by the Blackstone Group. Hearings began in June, 2002 and extended beyond the end of the District's fiscal year into fiscal 2003. As of June 30, 2002 the District is unable to determine the effect, if any, that the outcome of these hearings will have on its financial operations.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 18 - SIGNIFICANT SUBSEQUENT EVENTS

The Board of Education and the Cuyahoga Heights Teachers Association entered into a two year agreement for the period from August 25, 2002 to August 24, 2004. This agreement includes a retirement bonus package of \$1,000 per year for each year of service recorded with STRS.

Effective July 1, 2002, Board member Wayne Kriynovich resigned from the Board of Education. Thomas G. Thacker, II was appointed to fill the vacancy for the unexpired term.

NOTE 19 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. During the fiscal year ended June 30, 2002, the reserve activity was as follows:

	<u>Instruction Materials</u>	<u>Capital Maintenance</u>	<u>BWC Refunds</u>
Set-aside cash balance as of July 1, 2001	\$ (727,784)	\$ 0	\$55,144
Current year set-aside requirement	97,240	97,240	-
Qualifying disbursements	<u>(570,465)</u>	<u>(921,668)</u>	<u>-</u>
Total	<u>\$(1,201,009)</u>	<u>\$(824,428)</u>	<u>\$55,144</u>
Cash balance carried forward to FY 2003	<u>\$(1,201,009)</u>	<u>\$ 0</u>	<u>\$55,144</u>

During fiscal year 2002, the District had qualifying disbursements for instructional materials and capital maintenance that reduced the set-aside amounts below zero. The instructional materials amount may be used to reduce the set-aside requirement of future years, however, the capital maintenance amount may not be carried forward.

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

A schedule of the restricted assets at June 30, 2002 follows:

Amount restricted for BWC refunds	<u>\$55,144</u>
Total restricted assets	<u>\$55,144</u>

COMBINING, INDIVIDUAL FUND,
AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES

Cuyahoga Heights Schools

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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 COMPARISON (NON-GAAP BUDGETARY BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$9,678,421	\$9,678,421	\$ -
Earnings on investments	491,710	371,472	(120,238)
Other local revenues	21,334	16,117	(5,217)
Revenue from intermediate sources	156,409	118,162	(38,247)
Intergovernmental - State	1,745,232	1,339,079	(406,153)
Total revenues	<u>12,093,106</u>	<u>11,523,251</u>	<u>(569,855)</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	3,785,619	3,752,375	33,244
Fringe benefits	1,224,310	1,145,772	78,538
Purchased services	17,633	15,887	1,746
Supplies	334,535	246,660	87,875
Capital outlay	58,026	54,205	3,821
Other	2,374	2,238	136
Total instruction-regular	<u>5,422,497</u>	<u>5,217,137</u>	<u>205,360</u>
Instruction-special			
Purchased services	541,990	541,990	-
Supplies	12,036	7,813	4,223
Capital outlay	5,000	5,000	-
Total instruction-special	<u>559,026</u>	<u>554,803</u>	<u>4,223</u>
Instruction-other			
Purchased services	286,215	281,307	4,908
Total instruction-other	<u>286,215</u>	<u>281,307</u>	<u>4,908</u>
Support services-pupil			
Salaries and wages	531,188	531,188	-
Fringe benefits	195,298	188,815	6,483
Purchased services	148,141	144,244	3,897
Supplies	41,769	39,312	2,457
Capital outlay	1,800	1,065	735
Other	10,000	7,345	2,655
Total support services-pupil	<u>928,196</u>	<u>911,969</u>	<u>16,227</u>
Support services-instructional staff			
Salaries and wages	419,780	389,148	30,632
Fringe benefits	148,740	148,740	-
Purchased services	191,534	172,897	18,637
Supplies	56,578	48,167	8,411
Capital outlay	13,430	11,709	1,721
Other	1,080	153	927
Total support services-instructional staff	<u>831,142</u>	<u>770,814</u>	<u>60,328</u>

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

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support services-Board of Education			
Salaries and wages	\$14,880	\$14,880	\$ -
Fringe benefits	2,313	2,313	-
Purchased services	26,133	20,011	6,122
Supplies	3,900	2,706	1,194
Other	201,925	200,936	989
Total support services-Board of Education	<u>249,151</u>	<u>240,846</u>	<u>8,305</u>
Support services-administration			
Salaries and wages	692,509	692,509	-
Fringe benefits	258,268	257,007	1,261
Purchased services	145,292	143,456	1,836
Supplies	25,622	19,111	6,511
Capital outlay	31,315	13,218	18,097
Other	36,465	31,387	5,078
Total support services-administration	<u>1,189,471</u>	<u>1,156,688</u>	<u>32,783</u>
Support services-fiscal			
Salaries and wages	206,108	196,346	9,762
Fringe benefits	86,606	86,606	-
Purchased services	32,434	27,149	5,285
Supplies	14,532	13,404	1,128
Capital outlay	1,011	333	678
Other	168,875	168,873	2
Total support services-fiscal	<u>509,566</u>	<u>492,711</u>	<u>16,855</u>
Support services-business			
Purchased services	95,170	80,148	15,022
Supplies	16,260	16,195	65
Other	5,000	4,409	591
Total support services-business	<u>116,430</u>	<u>100,752</u>	<u>15,678</u>
Support services-operations and maintenance			
Salaries and wages	607,791	582,613	25,178
Fringe benefits	245,255	231,199	14,056
Purchased services	594,359	571,617	22,742
Supplies	120,811	110,544	10,267
Capital outlay	44,712	31,117	13,595
Total support services- operations and maintenance	<u>1,612,928</u>	<u>1,527,090</u>	<u>85,838</u>
Support services-pupil transportation			
Salaries and wages	395,589	395,589	-
Fringe benefits	164,623	142,147	22,476
Purchased services	80,640	68,002	12,638
Supplies	61,937	47,393	14,544
Capital outlay	83,555	80,493	3,062
Total support services-pupil transportation	<u>786,344</u>	<u>733,624</u>	<u>52,720</u>

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support services-central			
Salaries and wages	\$13,708	\$13,708	\$ -
Fringe benefits	9,756	7,314	2,442
Purchased services	51,111	24,125	26,986
Supplies	6,765	1,983	4,782
Total support services-central	<u>81,340</u>	<u>47,130</u>	<u>34,210</u>
Community services			
Salaries and wages	74,540	74,538	2
Fringe benefits	14,204	11,339	2,865
Purchased services	21,559	12,510	9,049
Supplies	3,283	3,283	-
Capital outlay	7,324	7,019	305
Total community services	<u>120,910</u>	<u>108,689</u>	<u>12,221</u>
Extracurricular activities			
Salaries and wages	395,344	380,389	14,955
Fringe benefits	69,000	58,629	10,371
Purchased services	55,102	55,022	80
Supplies	27,253	25,005	2,248
Other	8,420	5,759	2,661
Total extracurricular activities	<u>555,119</u>	<u>524,804</u>	<u>30,315</u>
Total expenditures	<u>13,248,335</u>	<u>12,668,364</u>	<u>579,971</u>
Deficiency of revenues under expenditures	<u>(1,155,229)</u>	<u>(1,145,113)</u>	<u>10,116</u>
Other financing sources (uses):			
Advances in	19,855	15,000	(4,855)
Advances out	(37,738)	(37,738)	-
Operating transfers out	(265,000)	(261,786)	3,214
Proceeds from sale of fixed assets	2,911	2,199	(712)
Refund of prior year receipts	(5,000)	-	5,000
Refund of prior year expenditures	8,110	6,127	(1,983)
Total other financing sources (uses)	<u>(276,862)</u>	<u>(276,198)</u>	<u>664</u>
Deficiency of revenues and other financing sources under expenditures and other financing (uses)	<u>(1,432,091)</u>	<u>(1,421,311)</u>	<u>10,780</u>
Fund balance, July 1	7,741,619	7,741,619	-
Prior year encumbrances appropriated	577,404	577,404	-
Fund balance, June 30	<u>\$6,886,932</u>	<u>\$6,897,712</u>	<u>\$10,780</u>

Cuyahoga Heights Schools

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SPECIAL REVENUE FUNDS

Special revenue funds are established to account for revenues from specific sources which are restricted, legally or otherwise, 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 used to account for specific local revenue sources (i.e.: profits from vending machines, etc.), other than taxes or expendable trusts, 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 restricted to expenditures for specified purposes.

District Managed Activity Fund

Section 3313.062

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

Teacher Development Fund

Current Budget Bill Appropriation Line Item 200-527

A fund used 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

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

Data Communication Fund

Section 5705.09, Revised Code

A fund used to account for monies appropriated for Ohio Educational Computer Network Connections.

SchoolNet Professional Development Fund

Section 5705.09, Revised Code

A fund used to account for revenues received to provide professional development programs related to technology.

Ohio Reads Fund

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

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

Alternative Schools Fund

State Line Item Appropriation GRF 200-520

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

Title I Fund

PL 97-35; Title I EESA 1965

A fund used to account for monies which are to: 1) establish or improve programs designed to meet the special educational needs of 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 or other information about children of migrant workers.

Title VI Fund

PL 97-35; EESA 1965

A fund used to account for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and inservice and staff development.

Drug Free Schools Grant Fund

Catalog of Federal Domestic Assistance #84-166

A fund used to provide monies 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 the development, training, technical assistance, and coordination of activities.

Reducing Class Size Fund

Catalog of Federal Domestic Assistance #84-340

A fund used to account for a federal grant aimed at reducing class sizes throughout the District.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2002

	PUBLIC SCHOOL SUPPORT	OTHER GRANTS	DISTRICT MANAGED ACTIVITY
Assets:			
Equity in pooled cash and cash equivalents	\$10,520	\$15,771	\$43,880
Receivables (net of allowances for uncollectibles):			
Accounts	-	639	-
Due from other governments	-	-	-
Total assets	<u>\$10,520</u>	<u>\$16,410</u>	<u>\$43,880</u>
Liabilities:			
Accounts payable	\$64	\$ -	\$3,312
Due to other governments	-	-	-
Total liabilities	<u>64</u>	<u>-</u>	<u>3,312</u>
Fund equity:			
Fund balances:			
Reserved for encumbrances	181	520	21,995
Unreserved-undesignated	10,275	15,890	18,573
Total fund equity (deficit)	<u>10,456</u>	<u>16,410</u>	<u>40,568</u>
Total liabilities and fund equity	<u>\$10,520</u>	<u>\$16,410</u>	<u>\$43,880</u>

TEACHER DEVELOPMENT	MANAGEMENT INFORMATION SYSTEMS	DATA COMMUNICATION	SCHOOLNET PROFESSIONAL DEVELOPMENT	OHIO READS
\$ -	\$ -	\$2,740	\$1,226	\$2,058
-	-	-	-	-
-	-	-	1,675	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$2,740</u>	<u>\$2,901</u>	<u>\$2,058</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	124	-	-	-
-	124	-	-	-
-	-	2,740	877	-
-	(124)	-	2,024	2,058
-	(124)	2,740	2,901	2,058
<u>\$ -</u>	<u>\$ -</u>	<u>\$2,740</u>	<u>\$2,901</u>	<u>\$2,058</u>

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2002

	ALTERNATIVE SCHOOLS	TITLE I
Assets:		
Equity in pooled cash and cash equivalents	\$539	\$6,073
Receivables (net of allowances for uncollectibles):		
Accounts	-	-
Due from other governments	-	27,370
Total assets	\$539	\$33,443
Liabilities:		
Accounts payable	\$ -	\$ -
Accrued wages and benefits	-	-
Pension obligation payable	-	-
Interfund loans payable	-	33,443
Deferred revenue	-	27,370
Due to other governments	-	-
Total liabilities	-	60,813
Fund equity:		
Fund balances:		
Reserved for encumbrances	538	-
Unreserved-undesignated	1	(27,370)
Total fund equity (deficit)	539	(27,370)
Total liabilities and fund equity	\$539	\$33,443

<u>TITLE VI</u>	<u>DRUG FREE SCHOOLS GRANT</u>	<u>REDUCING CLASS SIZE</u>	<u>TOTAL</u>
\$1,246	\$ -	\$ -	\$84,053
-	-	-	639
3,049	2,542	9,031	43,667
<u>\$4,295</u>	<u>\$2,542</u>	<u>\$9,031</u>	<u>\$128,359</u>
\$ -	\$ -	\$ -	\$3,376
-	725	-	725
-	101	-	101
4,295	-	-	37,738
3,049	-	-	30,419
26	20	25	195
<u>7,370</u>	<u>846</u>	<u>25</u>	<u>72,554</u>
-	-	-	26,851
<u>(3,075)</u>	<u>1,696</u>	<u>9,006</u>	<u>28,954</u>
<u>(3,075)</u>	<u>1,696</u>	<u>9,006</u>	<u>55,805</u>
<u>\$4,295</u>	<u>\$2,542</u>	<u>\$9,031</u>	<u>\$128,359</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	PUBLIC SCHOOL SUPPORT	OTHER GRANTS	DISTRICT MANAGED ACTIVITY
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
From local sources:			
Earnings on investments	\$ -	\$ -	\$111
Extracurricular	28,106	-	40,558
Other local revenues	2,950	3,852	6,086
Revenue from intermediate sources	-	2,000	-
Intergovernmental-State	-	-	-
Total revenues	<u>31,056</u>	<u>5,852</u>	<u>46,755</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	-	-
Support services:			
Pupil	27,648	7,856	-
Instructional staff	1,755	-	-
Administration	-	-	-
Central	-	-	-
Extracurricular activities	-	-	107,074
Total expenditures	<u>29,403</u>	<u>7,856</u>	<u>107,074</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,653</u>	<u>(2,004)</u>	<u>(60,319)</u>
Other financing sources:			
Operating transfers in	<u>-</u>	<u>-</u>	<u>60,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>60,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	1,653	(2,004)	(319)
Fund balances (deficit), July 1 (restated)	8,803	18,414	40,887
Fund balances (deficit), June 30	<u>\$10,456</u>	<u>\$16,410</u>	<u>\$40,568</u>

TEACHER DEVELOPMENT	MANAGEMENT INFORMATION SYSTEMS	DATA COMMUNICATION	SCHOOLNET PROFESSIONAL DEVELOPMENT	OHIO READS
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1	-	-	-	-
-	-	-	-	2,000
-	5,000	-	4,817	-
<u>1</u>	<u>5,000</u>	<u>-</u>	<u>4,817</u>	<u>2,000</u>
-	-	-	1,909	-
-	-	-	-	-
-	-	6,260	893	1,942
-	-	-	1,023	-
-	28,301	-	-	-
-	-	-	-	-
<u>-</u>	<u>28,301</u>	<u>6,260</u>	<u>3,825</u>	<u>1,942</u>
<u>1</u>	<u>(23,301)</u>	<u>(6,260)</u>	<u>992</u>	<u>58</u>
-	20,000	-	-	-
-	20,000	-	-	-
1	(3,301)	(6,260)	992	58
(1)	3,177	9,000	1,909	2,000
<u>\$ -</u>	<u>(\$124)</u>	<u>\$2,740</u>	<u>\$2,901</u>	<u>\$2,058</u>

continued

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	ALTERNATIVE SCHOOLS	TITLE I
Revenues:		
From local sources:		
Earnings on investments	\$ -	\$ -
Extracurricular	-	-
Other local revenues	-	-
Revenue from intermediate sources	-	-
Intergovernmental-State	19,277	-
Intergovernmental-Federal	-	6,020
Total revenues	19,277	6,020
Expenditures:		
Current:		
Instruction:		
Regular	-	-
Special	31,594	33,390
Support services:		
Pupil	-	-
Instructional staff	-	-
Administration	-	-
Central	-	-
Extracurricular activities	-	-
Total expenditures	31,594	33,390
Excess (deficiency) of revenues over (under) expenditures	(12,317)	(27,370)
Other financing sources:		
Operating transfers in	-	-
Total other financing sources	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(12,317)	(27,370)
Fund balances, July 1 (restated)	12,856	-
Fund balances (deficits), June 30	\$539	(\$27,370)

TITLE VI	DRUG FREE SCHOOLS GRANT	REDUCING CLASS SIZE	TOTAL
\$ -	\$ -	\$ -	\$111
-	-	-	68,664
-	-	-	12,889
-	-	-	4,000
-	-	-	29,094
1,246	3,259	12,543	23,068
<u>1,246</u>	<u>3,259</u>	<u>12,543</u>	<u>137,826</u>
-	-	3,537	5,446
143	-	-	65,127
4,321	1,958	-	41,783
-	-	-	10,850
-	-	-	1,023
-	-	-	28,301
-	-	-	107,074
<u>4,464</u>	<u>1,958</u>	<u>3,537</u>	<u>259,604</u>
<u>(3,218)</u>	<u>1,301</u>	<u>9,006</u>	<u>(121,778)</u>
-	-	-	80,000
-	-	-	80,000
(3,218)	1,301	9,006	(41,778)
143	395	-	97,583
<u>(\$3,075)</u>	<u>\$1,696</u>	<u>\$9,006</u>	<u>\$55,805</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Extracurricular	\$28,497	\$28,106	(\$391)
Other local revenue	3,522	3,465	(57)
Total revenues	<u>32,019</u>	<u>31,571</u>	<u>(448)</u>
Expenditures:			
Current:			
Support services-pupil			
Purchased services	19,892	21,450	(1,558)
Supplies	4,076	4,395	(319)
Other	1,746	1,883	(137)
Total support services-pupil	<u>25,714</u>	<u>27,728</u>	<u>(2,014)</u>
Support services-instructional staff			
Fringe benefits	3,870	1,856	2,014
Total support services-instructional staff	<u>3,870</u>	<u>1,856</u>	<u>2,014</u>
Total expenditures	<u>29,584</u>	<u>29,584</u>	<u>-</u>
Excess of revenues over expenditures	2,435	1,987	(448)
Fund balance, July 1	7,840	7,840	-
Prior year encumbrances appropriated	448	448	-
Fund balance, June 30	<u>\$10,723</u>	<u>\$10,275</u>	<u>(\$448)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
OTHER GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
From local sources:			
Other local revenues	\$2,750	\$2,698	(\$52)
Revenue from intermediate sources	2,039	2,000	(39)
Total revenues	<u>4,789</u>	<u>4,698</u>	<u>(91)</u>
Expenditures:			
Current:			
Support services-pupil			
Purchased services	12,100	7,138	4,962
Supplies	-	1,239	(1,239)
Total support services-pupil	<u>12,100</u>	<u>8,377</u>	<u>3,723</u>
Support services-instructional staff			
Supplies	2,000	-	2,000
Total support services-instructional staff	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>14,100</u>	<u>8,377</u>	<u>5,723</u>
Deficiency of revenues under expenditures	<u>(9,311)</u>	<u>(3,679)</u>	<u>5,632</u>
Other financing sources:			
Refund of prior year expenditures	525	515	(10)
Total other financing sources	<u>525</u>	<u>515</u>	<u>(10)</u>
Deficiency of revenues and other financing sources under expenditures	(8,786)	(3,164)	5,622
Fund balance, July 1	18,315	18,315	-
Prior year encumbrances appropriated	100	100	-
Fund balance, June 30	<u>\$9,629</u>	<u>\$15,251</u>	<u>\$5,622</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$135	\$111	(\$24)
Extracurricular	49,238	40,557	(8,681)
Other local revenues	7,871	6,483	(1,388)
Total revenues	<u>57,244</u>	<u>47,151</u>	<u>(10,093)</u>
Expenditures:			
Current:			
Support services-operations and maintenance			
Purchased services	3,500	3,500	-
Total support services- operations and maintenance	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Extracurricular activities:			
Purchased services	53,051	44,531	8,520
Supplies	51,290	51,241	49
Capital outlay	10,337	12,040	(1,703)
Other	19,061	22,390	(3,329)
Total extracurricular activities	<u>133,739</u>	<u>130,202</u>	<u>3,537</u>
Facilities acquisition and construction:			
Capital outlay	567	-	567
Total facilities acquisition and construction	<u>567</u>	<u>-</u>	<u>567</u>
Total expenditures	<u>137,806</u>	<u>133,702</u>	<u>4,104</u>
Deficiency of revenues under expenditures	<u>(80,562)</u>	<u>(86,551)</u>	<u>(5,989)</u>
Other financing sources:			
Operating transfers in	72,842	60,000	(12,842)
Total other financing sources	<u>72,842</u>	<u>60,000</u>	<u>(12,842)</u>
Deficiency of revenues and other financing sources under expenditures	<u>(7,720)</u>	<u>(26,551)</u>	<u>(18,831)</u>
Fund balance, July 1	22,189	22,189	-
Prior year encumbrances appropriated	22,935	22,935	-
Fund balance, June 30	<u>\$37,404</u>	<u>\$18,573</u>	<u>(\$18,831)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$5,000	\$5,000	\$ -
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services-central			
Salaries and wages	22,820	23,101	(281)
Fringe benefits	3,612	3,682	(70)
Purchased services	2,600	2,207	393
Supplies	150	192	(42)
Total support services-central	<u>29,182</u>	<u>29,182</u>	<u>-</u>
Total expenditures	<u>29,182</u>	<u>29,182</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(24,182)</u>	<u>(24,182)</u>	<u>-</u>
Other financing sources:			
Operating transfers in	20,000	20,000	-
Total other financing sources	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Deficiency of revenues and other financing sources under expenditures	<u>(4,182)</u>	<u>(4,182)</u>	<u>-</u>
Fund balance, July 1	4,182	4,182	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 DATA COMMUNICATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Support services-instructional staff			
Purchased services	9,000	9,000	-
Total support services-instructional staff	9,000	9,000	-
Total expenditures	9,000	9,000	-
Deficiency of revenues under expenditures	(9,000)	(9,000)	-
Fund balance, July 1	9,000	9,000	-
Fund balance, June 30	\$ -	\$ -	\$ -

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$3,142	\$3,142	\$ -
Total revenues	<u>3,142</u>	<u>3,142</u>	<u>-</u>
Expenditures:			
Current:			
Instruction-regular			
Purchased services	1,908	1,908	-
Total instruction-regular	<u>1,908</u>	<u>1,908</u>	<u>-</u>
Support services-instructional staff			
Purchased services	1,946	892	1,054
Total support services-instructional staff	<u>1,946</u>	<u>892</u>	<u>1,054</u>
Support services-administration			
Purchased services	1,196	1,901	(705)
Total support services-administration	<u>1,196</u>	<u>1,901</u>	<u>(705)</u>
Total expenditures	<u>5,050</u>	<u>4,701</u>	<u>349</u>
Deficiency of revenues under expenditures	(1,908)	(1,559)	349
Fund balance, July 1	1,908	1,908	-
Fund balance, June 30	<u>\$ -</u>	<u>\$349</u>	<u>\$349</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 OHIO READS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental - State	\$3,999	\$2,000	(\$1,999)
Total revenues	<u>3,999</u>	<u>2,000</u>	<u>(1,999)</u>
Expenditures:			
Current:			
Support services-instructional staff			
Supplies	4,001	1,943	2,058
Total support services-instructional staff	<u>4,001</u>	<u>1,943</u>	<u>2,058</u>
Total expenditures	<u>4,001</u>	<u>1,943</u>	<u>2,058</u>
Excess (deficiency) of revenues over (under) expenditures	(2)	57	59
Fund balance, July 1	2	2	-
Prior year encumbrances appropriated	<u>1,999</u>	<u>1,999</u>	<u>-</u>
Fund balance, June 30	<u>\$1,999</u>	<u>\$2,058</u>	<u>\$59</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
ALTERNATIVE SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$31,523	\$19,277	(\$12,246)
Total revenues	31,523	19,277	(12,246)
Expenditures:			
Current:			
Instruction-special			
Fringe benefits	4	4	-
Purchased services	18,901	19,362	(461)
Supplies	7,359	11,381	(4,022)
Capital outlay	5,886	1,402	4,484
Total instruction-special	32,150	32,149	1
Total expenditures	32,150	32,149	1
Deficiency of revenues under expenditures	(627)	(12,872)	(12,245)
Fund balance, July 1	627	627	-
Prior year encumbrances appropriated	12,246	12,246	-
Fund balance, June 30	\$12,246	\$1	(\$12,245)

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
TITLE I
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental -Federal	\$6,020	\$6,020	\$ -
Total revenues	<u>6,020</u>	<u>6,020</u>	<u>-</u>
Expenditures:			
Current:			
Instruction-special			
Purchased services	33,443	33,390	53
Total instruction-special	<u>33,443</u>	<u>33,390</u>	<u>53</u>
Total expenditures	<u>33,443</u>	<u>33,390</u>	<u>53</u>
Deficiency of revenues under expenditures	<u>(27,423)</u>	<u>(27,370)</u>	<u>53</u>
Other financing sources:			
Advances in	33,443	33,443	-
Total other financing sources	<u>33,443</u>	<u>33,443</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	6,020	6,073	53
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$6,020</u></u>	<u><u>\$6,073</u></u>	<u><u>\$53</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
TITLE VI
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$1,246	\$1,246	\$ -
Total revenues	<u>1,246</u>	<u>1,246</u>	<u>-</u>
Expenditures:			
Current:			
Instruction-special			
Salaries and wages	285	142	143
Purchased services	39	20	19
Total instruction-special	<u>324</u>	<u>162</u>	<u>162</u>
Support services-pupil			
Salaries and wages	3,651	3,651	-
Fringe benefits	644	644	-
Total support services-pupil	<u>4,295</u>	<u>4,295</u>	<u>-</u>
Total expenditures	<u>4,619</u>	<u>4,457</u>	<u>162</u>
Deficiency of revenues under expenditures	<u>(3,373)</u>	<u>(3,211)</u>	<u>162</u>
Other financing sources:			
Advances in	4,295	4,295	-
Total other financing sources	<u>4,295</u>	<u>4,295</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	922	1,084	162
Fund balance, July 1	162	162	-
Fund balance, June 30	<u><u>\$1,084</u></u>	<u><u>\$1,246</u></u>	<u><u>\$162</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 DRUG FREE SCHOOLS GRANT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$1,119	\$717	(\$402)
Total revenues	1,119	717	(402)
Expenditures:			
Current:			
Support services-pupil			
Salaries and wages	717	717	-
Purchased services	27	29	(2)
Supplies	375	373	2
Total support services-pupil	1,119	1,119	-
Total expenditures	1,119	1,119	-
Deficiency of revenues under expenditures	-	(402)	(402)
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated	402	402	-
Fund balance, June 30	\$402	\$ -	(\$402)

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
REDUCING CLASS SIZE
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$3,512	\$3,512	\$ -
Total revenues	<u>3,512</u>	<u>3,512</u>	<u>-</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	3,512	3,512	-
Total instruction-regular	<u>3,512</u>	<u>3,512</u>	<u>-</u>
Total expenditures	<u>3,512</u>	<u>3,512</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-
Fund balance, July 1	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$135	\$111	(\$24)
Extracurricular	77,735	68,663	(9,072)
Other local revenues	14,143	12,646	(1,497)
Revenue from intermediate sources	2,039	2,000	(39)
Intergovernmental - State	43,664	29,419	(14,245)
Intergovernmental - Federal	11,897	11,495	(402)
Total revenues	<u>149,613</u>	<u>124,334</u>	<u>(25,279)</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	3,512	3,512	-
Purchased services	1,908	1,908	-
Total instruction-regular	<u>5,420</u>	<u>5,420</u>	<u>-</u>
Instruction-special			
Salaries and wages	285	142	143
Fringe benefits	4	4	-
Purchased services	64,483	59,910	4,573
Supplies	7,359	12,620	(5,261)
Capital outlay	5,886	1,402	4,484
Total instruction-special	<u>78,017</u>	<u>74,078</u>	<u>3,939</u>
Support services-pupil			
Salaries and wages	4,368	4,368	-
Fringe benefits	644	644	-
Purchased services	19,919	21,479	(1,560)
Supplies	4,451	4,768	(317)
Other	1,746	1,883	(137)
Total support services-pupil	<u>31,128</u>	<u>33,142</u>	<u>(2,014)</u>
Support services-instructional staff			
Fringe benefits	3,870	1,856	2,014
Purchased services	10,946	9,892	1,054
Supplies	6,001	1,943	4,058
Total support services-instructional staff	<u>20,817</u>	<u>13,691</u>	<u>7,126</u>
Support services-administration			
Purchased services	1,196	1,901	(705)
Total support services-administration	<u>1,196</u>	<u>1,901</u>	<u>(705)</u>

CUYAHOGA HEIGHTS SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support Services-operations and maintenance			
Purchased services	\$3,500	\$3,500	\$ -
Total support services- operations and maintenance	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Support services-central			
Salaries and wages	22,820	23,101	(281)
Fringe benefits	3,612	3,682	(70)
Purchased services	2,600	2,207	393
Supplies	150	192	(42)
Total support services-central	<u>29,182</u>	<u>29,182</u>	<u>-</u>
Extracurricular activities			
Purchases services	53,051	44,531	8,520
Supplies	51,290	51,241	49
Capital outlay	10,337	12,040	(1,703)
Other	19,061	22,390	(3,329)
Total extracurricular activities	<u>133,739</u>	<u>130,202</u>	<u>3,537</u>
Facilities acquisition and construction			
Capital outlay	567	-	567
Total facilities acquisition and construction	<u>567</u>	<u>-</u>	<u>567</u>
Total expenditures	<u>303,566</u>	<u>291,116</u>	<u>12,450</u>
Deficiency of revenues under expenditures	<u>(153,953)</u>	<u>(166,782)</u>	<u>(12,829)</u>
Other financing sources:			
Advances in	37,738	37,738	-
Operating transfers in	92,842	80,000	(12,842)
Refund of prior year expenditures	525	515	(10)
Total other financing sources	<u>131,105</u>	<u>118,253</u>	<u>(12,852)</u>
Deficiency of revenues and other financing sources under expenditures	<u>(22,848)</u>	<u>(48,529)</u>	<u>(25,681)</u>
Fund balance, July 1	64,225	64,225	-
Prior year encumbrances appropriated	38,130	38,130	-
Fund balance, June 30	<u>\$79,507</u>	<u>\$53,826</u>	<u>(\$25,681)</u>

DEBT SERVICE FUND

Section 5705.09, Revised Code

A fund used 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 COMPARISON (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$404,063	\$404,063	\$ -
Intergovernmental - State	28,729	28,729	-
Total revenues	<u>432,792</u>	<u>432,792</u>	<u>-</u>
Expenditures:			
Debt service:			
Principal retirement	356,421	356,421	-
Interest and fiscal charges	234,579	230,613	3,966
Total debt service	<u>591,000</u>	<u>587,034</u>	<u>3,966</u>
Total expenditures	<u>591,000</u>	<u>587,034</u>	<u>3,966</u>
Deficiency of revenues under expenditures	<u>(158,208)</u>	<u>(154,242)</u>	<u>3,966</u>
Other financing sources:			
Operating transfers in	181,786	181,786	-
Total other financing sources	<u>181,786</u>	<u>181,786</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	23,578	27,544	3,966
Fund balance, July 1	<u>465,867</u>	<u>465,867</u>	<u>-</u>
Fund balance, June 30	<u><u>\$489,445</u></u>	<u><u>\$493,411</u></u>	<u><u>\$3,966</u></u>

CAPITAL PROJECTS FUNDS

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

Permanent Improvement Fund

Section 5705.10, Revised Code

A fund used 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

Section 5705.09, Revised Code

A fund used to account for the receipts 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 Equipment/Infrastructure Fund

Section 5705.09, Revised Code

A fund used to account 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, 2002

	PERMANENT IMPROVEMENT	SCHOOLNET EQUIPMENT/ INFRASTRUCTURE	TOTAL
Assets:			
Equity in pooled cash and cash equivalents	\$1,189,380	\$9,555	\$1,198,935
Investments	396,561	-	396,561
Receivables (net of allowances of uncollectibles):			
Accrued interest	5,833	-	5,833
Total assets	<u>\$1,591,774</u>	<u>\$9,555</u>	<u>\$1,601,329</u>
Liabilities:			
Accounts payable	\$23,130	\$5,940	\$29,070
Deferred revenue	3,590	-	3,590
Total liabilities	<u>26,720</u>	<u>5,940</u>	<u>32,660</u>
Fund equity:			
Fund balances:			
Reserved for encumbrances	140,398	-	140,398
Unreserved-undesignated	1,424,656	3,615	1,428,271
Total fund equity	<u>1,565,054</u>	<u>3,615</u>	<u>1,568,669</u>
Total liabilities and fund equity	<u>\$1,591,774</u>	<u>\$9,555</u>	<u>\$1,601,329</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, 2002

	PERMANENT IMPROVEMENT	BUILDING	SCHOOLNET EQUIPMENT/ INFRASTRUCTURE	TOTAL
Revenues:				
From local sources:				
Taxes	\$1,118,126	\$ -	\$ -	\$1,118,126
Earnings on investments	32,409	-	-	32,409
Other local revenues	1,200	-	-	1,200
Intergovernmental-State	-	-	10,500	10,500
Total revenues	<u>1,151,735</u>	<u>-</u>	<u>10,500</u>	<u>1,162,235</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	91	91
Support services:				
Pupil	153,626	-	-	153,626
Instructional staff	25,662	-	24,999	50,661
Business	4,725	-	-	4,725
Operations and maintenance	180,661	34,771	-	215,432
Central	-	-	7,386	7,386
Total expenditures	<u>364,674</u>	<u>34,771</u>	<u>32,476</u>	<u>431,921</u>
Excess (deficiency) of revenues over (under) expenditures	787,061	(34,771)	(21,976)	730,314
Fund balances, July 1	777,993	34,771	25,591	838,355
Fund balances, June 30	<u>\$1,565,054</u>	<u>\$ -</u>	<u>\$3,615</u>	<u>\$1,568,669</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$1,465,296	\$1,118,126	(\$347,170)
Earnings on investments	38,230	29,172	(9,058)
Other local revenues	1,573	1,200	(373)
Total revenues	<u>1,505,099</u>	<u>1,148,498</u>	<u>(356,601)</u>
Expenditures:			
Current:			
Support services-pupil			
Purchased services	25,973	44,642	(18,669)
Supplies	46,885	58,268	(11,383)
Capital outlay	235,364	239,593	(4,229)
Total support services-pupil	<u>308,222</u>	<u>342,503</u>	<u>(34,281)</u>
Support services-instructional staff			
Purchased services	17,371	15,132	2,239
Supplies	43,000	7,216	35,784
Capital outlay	6,054	6,122	(68)
Total support services-instructional staff	<u>66,425</u>	<u>28,470</u>	<u>37,955</u>
Support services-Board of Education			
Purchased services	500	-	500
Total support services-Board of Education	<u>500</u>	<u>-</u>	<u>500</u>
Support services-business			
Capital outlay	4,925	4,725	200
Total support services-business	<u>4,925</u>	<u>4,725</u>	<u>200</u>
Support services-operations and maintenance			
Purchased services	174,866	193,087	(18,221)
Supplies	26,520	22,854	3,666
Capital outlay	22,250	49,327	(27,077)
Total support services-operations and maintenance	<u>223,636</u>	<u>265,268</u>	<u>(41,632)</u>
Facilities acquisition and construction			
Purchased services	75,000	-	75,000
Capital outlay	77,893	27,893	50,000
Total facilities acquisition and construction	<u>152,893</u>	<u>27,893</u>	<u>125,000</u>
Total expenditures	<u>756,601</u>	<u>668,859</u>	<u>87,742</u>
Excess of revenues over expenditures	748,498	479,639	(268,859)
Fund balance, July 1	562,628	562,628	-
Prior year encumbrances appropriated	356,601	356,601	-
Fund balance, June 30	<u>\$1,667,727</u>	<u>\$1,398,868</u>	<u>(\$268,859)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 BUILDING
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
From local sources:			
Earnings on investments	\$34,771	\$ -	(\$34,771)
Total revenues	<u>34,771</u>	<u>-</u>	<u>(34,771)</u>
Expenditures:			
Current:			
Support services-operations and maintenance			
Purchased services	34,771	34,771	-
Total support services- operations and maintenance	<u>34,771</u>	<u>34,771</u>	<u>-</u>
Total expenditures	<u>34,771</u>	<u>34,771</u>	<u>-</u>
Deficiency of revenues under expenditures	-	(34,771)	(34,771)
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated	<u>34,771</u>	<u>34,771</u>	<u>-</u>
Fund deficit, June 30	<u>\$34,771</u>	<u>\$ -</u>	<u>(\$34,771)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 SCHOOLNET EQUIPMENT/INFRASTRUCTURE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$28,500	\$10,500	(\$18,000)
Total revenues	<u>28,500</u>	<u>10,500</u>	<u>(18,000)</u>
Expenditures:			
Current:			
Instruction-regular			
Supplies	91	91	-
Total instruction-regular	<u>91</u>	<u>91</u>	<u>-</u>
Support services-instructional staff			
Purchased services	25,500	25,000	500
Total support services-instructional staff	<u>25,500</u>	<u>25,000</u>	<u>500</u>
Support services-central			
Purchased services	10,500	3,125	7,375
Total support services-central	<u>10,500</u>	<u>3,125</u>	<u>7,375</u>
Total expenditures	<u>36,091</u>	<u>28,216</u>	<u>7,875</u>
Deficiency of revenues under expenditures	(7,591)	(17,716)	(10,125)
Fund balance, July 1	7,591	7,591	-
Prior year encumbrances appropriated	18,000	18,000	-
Fund balance, June 30	<u>\$18,000</u>	<u>\$7,875</u>	<u>(\$10,125)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$1,465,296	\$1,118,126	(\$347,170)
Earnings on investments	73,001	29,172	(43,829)
Other local revenues	1,573	1,200	(373)
Intergovernmental - State	28,500	10,500	(18,000)
Total revenues	<u>1,568,370</u>	<u>1,158,998</u>	<u>(409,372)</u>
Expenditures:			
Current:			
Instruction-regular			
Supplies	91	91	-
Total instruction-regular	<u>91</u>	<u>91</u>	<u>-</u>
Support services-pupil			
Purchased services	25,973	44,642	(18,669)
Supplies	46,885	58,268	(11,383)
Capital outlay	235,364	239,593	(4,229)
Total support services-pupil	<u>308,222</u>	<u>342,503</u>	<u>(34,281)</u>
Support services-instructional staff			
Purchased services	42,871	40,132	2,739
Supplies	43,000	7,216	35,784
Capital outlay	6,054	6,122	(68)
Total support services-instructional staff	<u>91,925</u>	<u>53,470</u>	<u>38,455</u>
Support services-Board of Education			
Purchased services	500	-	500
Total support services-Board of Education	<u>500</u>	<u>-</u>	<u>500</u>
Support services-business			
Capital outlay	4,925	4,725	200
Total support services-business	<u>4,925</u>	<u>4,725</u>	<u>200</u>
Support services-operations and maintenance			
Purchased services	209,637	227,858	(18,221)
Supplies	26,520	22,854	3,666
Capital outlay	22,250	49,327	(27,077)
Total support services-operations and maintenance	<u>258,407</u>	<u>300,039</u>	<u>(41,632)</u>
Support services-central			
Purchased services	10,500	3,125	7,375
Total support services-central	<u>10,500</u>	<u>3,125</u>	<u>7,375</u>
Facilities acquisition and construction			
Purchased services	75,000	-	75,000
Capital outlay	77,893	27,893	50,000
Total facilities acquisition and construction	<u>152,893</u>	<u>27,893</u>	<u>125,000</u>
Total expenditures	<u>827,463</u>	<u>731,846</u>	<u>95,617</u>
Excess of revenues over expenditures	740,907	427,152	(313,755)
Fund balance, July 1	570,219	570,219	-
Prior year encumbrances appropriated	409,372	409,372	-
Fund balance, June 30	<u>\$1,720,498</u>	<u>\$1,406,743</u>	<u>(\$313,755)</u>

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

ENTERPRISE FUNDS

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

Food Service Fund

Section 3313.81, Revised Code

A fund used to account for financial transactions related to food service operations.

Uniform School Supplies Fund

Section 3313.81, Revised Code

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

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 JUNE 30, 2002

	FOOD SERVICE	UNIFORM SCHOOL SUPPLIES	ADULT EDUCATION	TOTAL
Assets:				
Equity in pooled cash and cash equivalents	\$2,278	\$1,952	\$1,522	\$5,752
Receivables-(net of allowances for uncollectibles):				
Accounts	117	-	-	117
Due from other governments	1,298	-	-	1,298
Materials and supplies inventory	7,912	1,236	-	9,148
Property, plant and equipment- (net of accumulated depreciation)	11,666	-	-	11,666
Total assets	<u>\$23,271</u>	<u>\$3,188</u>	<u>\$1,522</u>	<u>\$27,981</u>
Liabilities:				
Accounts payable	\$789	\$ -	\$ -	\$789
Accrued wages and benefits	12,179	-	-	12,179
Compensated absences payable	14,692	-	-	14,692
Pension obligation payable	3,568	-	-	3,568
Deferred revenue	4,488	-	-	4,488
Due to other governments	473	-	-	473
Total liabilities	<u>36,189</u>	<u>-</u>	<u>-</u>	<u>36,189</u>
Fund equity (deficit):				
Retained earnings (accumulated deficit):				
Unreserved	(12,918)	3,188	1,522	(8,208)
Total fund equity (deficit)	<u>(12,918)</u>	<u>3,188</u>	<u>1,522</u>	<u>(8,208)</u>
Total liabilities and fund equity	<u>\$23,271</u>	<u>\$3,188</u>	<u>\$1,522</u>	<u>\$27,981</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)
 ALL ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	FOOD SERVICE	UNIFORM SCHOOL SUPPLIES	ADULT EDUCATION	TOTAL
Operating revenues:				
Sales and charges for services	\$168,475	\$2,162	\$ -	\$170,637
Other	170	-	-	170
Total operating revenues	<u>168,645</u>	<u>2,162</u>	<u>-</u>	<u>170,807</u>
Operating expenses:				
Salaries and wages	81,801	-	-	81,801
Fringe benefits	56,207	-	-	56,207
Contract services	1,706	-	-	1,706
Materials and supplies	100,207	2,339	-	102,546
Depreciation	1,645	-	-	1,645
Total operating expenses	<u>241,566</u>	<u>2,339</u>	<u>-</u>	<u>243,905</u>
Operating loss	<u>(72,921)</u>	<u>(177)</u>	<u>-</u>	<u>(73,098)</u>
Nonoperating revenues (expenses):				
Operating grants	22,289	-	-	22,289
Federal commodities	13,849	-	-	13,849
Interest revenue	586	-	-	586
Loss on disposal of assets	(50)	-	-	(50)
Total nonoperating revenues (expenses)	<u>36,674</u>	<u>-</u>	<u>-</u>	<u>36,674</u>
Net loss	(36,247)	(177)	-	(36,424)
Retained earnings, July 1	23,329	3,365	1,522	28,216
Retained earnings (accumulated deficit), June 30	<u>(\$12,918)</u>	<u>\$3,188</u>	<u>\$1,522</u>	<u>(\$8,208)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDING JUNE 30, 2002

	FOOD SERVICE	UNIFORM SCHOOL SUPPLIES	ADULT EDUCATION	TOTAL
Cash flows from operating activities:				
Cash received from sales and charges for services	\$168,475	\$2,162	\$ -	\$170,637
Cash received from other operations	53	-	-	53
Cash payments for personal services	(138,690)	-	-	(138,690)
Cash payments for contract services	(1,706)	-	-	(1,706)
Cash payments for supplies and materials	(86,924)	(2,146)	-	(89,070)
Net cash provided by (used in) operating activities	(58,792)	16	-	(58,776)
Cash flows from noncapital financing activities:				
Cash received from operating grants	20,991	-	-	20,991
Cash payments for interfund loans	(15,000)	-	-	(15,000)
Net cash provided by noncapital financing activities	5,991	-	-	5,991
Cash flows from investing activities:				
Interest received	586	-	-	586
Net cash provided by investing activities	586	-	-	586
Net increase (decrease) in cash and cash equivalents	(52,215)	16	-	(52,199)
Cash and cash equivalents at beginning of year	54,493	1,936	1,522	57,951
Cash and cash equivalents at end of year	\$2,278	\$1,952	\$1,522	\$5,752
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	(\$72,921)	(\$177)	\$ -	(\$73,098)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	1,645	-	-	1,645
Federal donated commodities	13,849	-	-	13,849
Changes in assets and liabilities:				
Increase in accounts receivable	(117)	-	-	(117)
Decrease (increase) in materials and supplies inventory	(2,391)	193	-	(2,198)
Increase in accounts payable	291	-	-	291
Decrease in accrued wages and benefits	(2,960)	-	-	(2,960)
Decrease in compensated absences payable	(568)	-	-	(568)
Increase in pension obligation payable	2,373	-	-	2,373
Increase in deferred revenue	1,534	-	-	1,534
Increase in due to other governments	473	-	-	473
Net cash provided by (used in) operating activities	(58,792)	\$16	\$ -	(58,776)
Noncash investing, capital and financing activities:				
Federal donated commodities	\$13,849	\$ -	\$ -	\$13,849

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales and charges for services	\$190,452	\$168,476	(\$21,976)
Total operating revenues	<u>190,452</u>	<u>168,476</u>	<u>(21,976)</u>
Operating expenses:			
Salaries and wages	83,401	96,622	(13,221)
Fringe benefits	48,175	42,067	6,108
Purchased services	1,847	1,870	(23)
Supplies	94,061	86,924	7,137
Total operating expenses	<u>227,484</u>	<u>227,483</u>	<u>1</u>
Operating loss	<u>(37,032)</u>	<u>(59,007)</u>	<u>(21,975)</u>
Nonoperating revenues (expenses):			
Operating grants	24,505	21,630	(2,875)
Advances out	(15,000)	(15,000)	-
Total nonoperating revenues (expenses)	<u>9,505</u>	<u>6,630</u>	<u>(2,875)</u>
Net loss	<u>(27,527)</u>	<u>(52,377)</u>	<u>(24,850)</u>
Fund equity, July 1	29,640	29,640	-
Prior year encumbrances appropriated	<u>24,852</u>	<u>24,852</u>	<u>-</u>
Fund equity, June 30	<u>\$26,965</u>	<u>\$2,115</u>	<u>(\$24,850)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales and charges for services	\$2,162	\$2,162	\$ -
Total operating revenues	<u>2,162</u>	<u>2,162</u>	<u>-</u>
Operating expenses:			
Supplies	2,498	2,146	352
Total operating expenses	<u>2,498</u>	<u>2,146</u>	<u>352</u>
Net income (loss)	(336)	16	352
Fund equity, July 1	1,936	1,936	-
Fund equity, June 30	<u>\$1,600</u>	<u>\$1,952</u>	<u>\$352</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
ADULT EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Total operating revenues	\$ -	\$ -	\$ -
Operating expenses:			
Salaries and wages	100	1	99
Total operating expenses	100	1	99
Net loss	(100)	(1)	99
Fund equity, July 1	1,523	1,523	-
Fund equity, June 30	\$1,423	\$1,522	\$99

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales and charges for services	\$192,614	\$170,638	(\$21,976)
Total operating revenues	<u>192,614</u>	<u>170,638</u>	<u>(21,976)</u>
Operating expenses:			
Salaries and wages	83,501	96,623	(13,122)
Fringe benefits	48,175	42,067	6,108
Purchased services	1,847	1,870	(23)
Supplies	96,559	89,070	7,489
Total operating expenses	<u>230,082</u>	<u>229,630</u>	<u>452</u>
Operating loss	<u>(37,468)</u>	<u>(58,992)</u>	<u>(21,524)</u>
Nonoperating revenues (expenses):			
Operating grants	24,505	21,630	(2,875)
Advances out	(15,000)	(15,000)	-
Total nonoperating revenues	<u>9,505</u>	<u>6,630</u>	<u>(2,875)</u>
Net loss	(27,963)	(52,362)	(24,399)
Fund equity, July 1	33,099	33,099	-
Prior year encumbrances appropriated	<u>24,852</u>	<u>24,852</u>	<u>-</u>
Fund equity, June 30	<u>\$29,988</u>	<u>\$5,589</u>	<u>(\$24,399)</u>

INTERNAL SERVICE FUNDS

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

Internal Service Rotary Fund

Section 5705.12, Revised Code

A fund used 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 used to account for monies received from other funds as payment for providing dental and vision 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 claims payments or administration, for stop-loss coverage, or for any other reinsurance or other similar purpose.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 JUNE 30, 2002

	INTERNAL SERVICE ROTARY	EMPLOYEE BENEFITS SELF INSURANCE	TOTAL
Assets:			
Equity in pooled cash and cash equivalents	\$132	\$142,362	\$142,494
Total assets	\$132	\$142,362	\$142,494
Liabilities:			
Deferred revenue	\$1,165	\$ -	\$1,165
Claims payable	-	19,017	19,017
Total liabilities	1,165	19,017	20,182
Fund equity (deficit):			
Retained earnings (accumulated deficit):			
Unreserved	(1,033)	123,345	122,312
Total fund equity (deficit)	(1,033)	123,345	122,312
Total liabilities and fund equity	\$132	\$142,362	\$142,494

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)
 ALL INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	INTERNAL SERVICE ROTARY	EMPLOYEE BENEFITS SELF INSURANCE	TOTAL
Operating revenues:			
Sales and charges for services	\$14,119	\$1,057,841	\$1,071,960
Other	2,412	-	2,412
Total operating revenues	<u>16,531</u>	<u>1,057,841</u>	<u>1,074,372</u>
Operating expenses:			
Contract services	4,392	-	4,392
Claims expense	-	985,595	985,595
Other	12,915	-	12,915
Total operating expenses	<u>17,307</u>	<u>985,595</u>	<u>1,002,902</u>
Net income (loss)	(776)	72,246	71,470
Retained earnings (accumulated deficit), July 1	<u>(257)</u>	<u>51,099</u>	<u>50,842</u>
Retained earnings (accumulated deficit), June 30	<u>(\$1,033)</u>	<u>\$123,345</u>	<u>\$122,312</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDING JUNE 30, 2002

	INTERNAL SERVICE ROTARY	EMPLOYEE BENEFITS SELF INSURANCE	TOTAL
Cash flows from operating activities:			
Cash received from sales and charges for services	\$14,895	\$1,057,841	\$1,072,736
Cash received from other operations	2,412	-	2,412
Cash payments for contract services	(4,392)	-	(4,392)
Cash payments for claims expenses	-	(988,112)	(988,112)
Cash payments for other operations	(12,915)	-	(12,915)
	-	69,729	69,729
Net increase in cash and cash equivalents	-	69,729	69,729
Cash and cash equivalents at beginning of year	132	72,633	72,765
Cash and cash equivalents at end of year	\$132	\$142,362	\$142,494
Reconciliation of operating income (loss)			
to net cash provided by operating activities:			
Operating income (loss)	(\$776)	\$72,246	\$71,470
Adjustments to reconcile operating income (loss)			
to net cash provided by operating activities:			
Changes in assets and liabilities:			
Increase in deferred revenue	776	-	776
Decrease in claims payable	-	(2,517)	(2,517)
Net cash provided by operating activities	\$ -	\$69,729	\$69,729

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE ROTARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales and charges for services	\$14,906	\$14,895	(\$11)
Total operating revenues	<u>14,906</u>	<u>14,895</u>	<u>(11)</u>
Operating expenses:			
Purchased services	4,402	4,392	10
Other	12,905	12,915	(10)
Total operating expenses	<u>17,307</u>	<u>17,307</u>	<u>-</u>
Operating loss	<u>(2,401)</u>	<u>(2,412)</u>	<u>(11)</u>
Nonoperating revenues:			
Other	2,412	2,412	-
Total nonoperating revenues	<u>2,412</u>	<u>2,412</u>	<u>-</u>
Net income	11	-	(11)
Fund equity, July 1	122	122	-
Prior year encumbrances appropriated	10	10	-
Fund equity, June 30	<u>\$143</u>	<u>\$132</u>	<u>(\$11)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS SELF INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales and charges for services	\$1,058,841	\$1,057,842	(\$999)
Total operating revenues	<u>1,058,841</u>	<u>1,057,842</u>	<u>(999)</u>
Operating expenses:			
Claims expense	1,029,570	988,113	41,457
Total operating expenses	<u>1,029,570</u>	<u>988,113</u>	<u>41,457</u>
Net income	29,271	69,729	40,458
Fund equity, July 1	71,633	71,633	-
Prior year encumbrances appropriated	1,000	1,000	-
Fund equity, June 30	<u>\$101,904</u>	<u>\$142,362</u>	<u>\$40,458</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Sales and charges for services	\$1,073,747	\$1,072,737	(\$1,010)
Total operating revenues	<u>1,073,747</u>	<u>1,072,737</u>	<u>(1,010)</u>
Operating expenses:			
Purchased services	4,402	4,392	10
Claims expense	1,029,570	988,113	41,457
Other operating expenses	12,905	12,915	(10)
Total operating expenses	<u>1,046,877</u>	<u>1,005,420</u>	<u>41,457</u>
Operating income	<u>26,870</u>	<u>67,317</u>	<u>40,447</u>
Nonoperating revenues:			
Other	2,412	2,412	-
Total nonoperating revenues	<u>2,412</u>	<u>2,412</u>	<u>-</u>
Net income	29,282	69,729	40,447
Fund equity, July 1	71,755	71,755	-
Prior year encumbrances appropriated	1,010	1,010	-
Fund equity, June 30	<u>\$102,047</u>	<u>\$142,494</u>	<u>\$40,447</u>

Cuyahoga Heights Schools

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FIDUCIARY FUND TYPES

EXPENDABLE TRUST FUND

Section 5705.09, Revised Code

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

NONEXPENDABLE TRUST FUND

Section 5705.09, Revised Code

A fund used to account for monies, securities, or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact. 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 governments, or other funds. In agency funds, assets equal liabilities and there is no fund balance.

Student Managed Activity Fund

Section 3313.062, Revised Code

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

CUYAHOGA HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUND TYPES
 JUNE 30, 2002

	EXPENDABLE TRUST FUND	NONEXPENDABLE TRUST FUND	AGENCY FUNDS	TOTAL
Assets:				
Equity in pooled cash and cash equivalents	\$2,073	\$ -	\$45,908	\$47,981
Equity in pooled cash and cash equivalents- nonexpendable trust	-	141,730	-	141,730
Total assets	<u>\$2,073</u>	<u>\$141,730</u>	<u>\$45,908</u>	<u>\$189,711</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$119	\$119
Due to other governments	-	-	5,862	5,862
Due to students	-	-	39,927	39,927
Total liabilities	<u>-</u>	<u>-</u>	<u>45,908</u>	<u>45,908</u>
Fund equity:				
Fund balance:				
Reserved for encumbrances	200	-	-	200
Reserved for principal endowment	-	130,855	-	130,855
Reserved for scholarships	-	10,875	-	10,875
Unreserved-undesignated	1,873	-	-	1,873
Total fund equity	<u>2,073</u>	<u>141,730</u>	<u>-</u>	<u>143,803</u>
Total liabilities and fund equity	<u>\$2,073</u>	<u>\$141,730</u>	<u>\$45,908</u>	<u>\$189,711</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$981	\$502	(\$479)
Other local revenues	451	230	(221)
Total revenues	<u>1,432</u>	<u>732</u>	<u>(700)</u>
Expenditures:			
Community services			
Other	1,700	1,401	299
Total community services	<u>1,700</u>	<u>1,401</u>	<u>299</u>
Total expenditures	<u>1,700</u>	<u>1,401</u>	<u>299</u>
Deficiency of revenues under expenditures	(268)	(669)	(401)
Fund balance, July 1	1,842	1,842	-
Prior year encumbrances appropriated	700	700	-
Fund balance, June 30	<u>\$2,274</u>	<u>\$1,873</u>	<u>(\$401)</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Investment earnings	\$3,479	\$3,479	\$ -
Other	18,347	18,347	-
Total operating revenues	<u>21,826</u>	<u>21,826</u>	<u>-</u>
Operating expenses:			
Materials and supplies	142	-	142
Other	29,858	6,149	23,709
Total operating expenses	<u>30,000</u>	<u>6,149</u>	<u>23,851</u>
Net income (loss)	<u>(8,174)</u>	<u>15,677</u>	<u>23,851</u>
Fund balance, July 1	<u>126,053</u>	<u>126,053</u>	<u>-</u>
Fund balance, June 30	<u><u>\$117,879</u></u>	<u><u>\$141,730</u></u>	<u><u>\$23,851</u></u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Beginning Balance July 1, 2001	Additions	Deletions	Ending Balance June 30, 2002
<u>District Agency Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$5,992	\$1,550	\$1,561	\$5,981
Total assets	<u>\$5,992</u>	<u>\$1,550</u>	<u>\$1,561</u>	<u>\$5,981</u>
Liabilities:				
Accounts payable	\$ -	\$119	\$ -	\$119
Due to other governments	5,992	1,431	1,561	5,862
Total liabilities	<u>\$5,992</u>	<u>\$1,550</u>	<u>\$1,561</u>	<u>\$5,981</u>
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$33,974	\$45,461	\$39,508	\$39,927
Total assets	<u>\$33,974</u>	<u>\$45,461</u>	<u>\$39,508</u>	<u>\$39,927</u>
Liabilities:				
Deferred revenue	\$293	\$ -	\$293	\$ -
Due to students	33,681	45,461	39,215	39,927
Total liabilities	<u>\$33,974</u>	<u>\$45,461</u>	<u>\$39,508</u>	<u>\$39,927</u>
<u>All Agency Funds</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$39,966	\$47,011	\$41,069	\$45,908
Total assets	<u>\$39,966</u>	<u>\$47,011</u>	<u>\$41,069</u>	<u>\$45,908</u>
Liabilities:				
Accounts payable	\$ -	\$119	\$ -	\$119
Due to other governments	5,992	1,431	1,561	5,862
Deferred revenue	293	-	293	-
Due to students	33,681	45,461	39,215	39,927
Total liabilities	<u>\$39,966</u>	<u>\$47,011</u>	<u>\$41,069</u>	<u>\$45,908</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group 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 District. The investment in general fixed assets is carried until the disposition of the property and ownership is relinquished. Depreciation on general 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, 2002

Function	Land and Improvements	Buildings and Improvements	Equipment and Furniture	Vehicles	Construction in Progress	Total
Instruction:						
Regular	\$ -	\$ -	\$794,447	\$ -	\$ -	\$794,447
Special	-	-	1,758	-	-	1,758
Support services:						
Pupil	-	-	606,293	-	-	606,293
Instructional staff	-	-	160,889	-	-	160,889
Administration	-	-	42,072	-	-	42,072
Fiscal	-	-	43,927	-	-	43,927
Operations and Maintenance	4,602	5,424	219,693	97,973	-	327,692
Pupil transportation	-	-	6,877	781,194	-	788,071
Central	-	-	6,249	-	-	6,249
Community services	-	-	86,179	-	-	86,179
Extracurricular activities	-	-	83,859	-	-	83,859
Facilities services	1,930,535	12,909,301	741,633	-	133,761	15,715,230
Total General Fixed Assets	<u>\$1,935,137</u>	<u>\$12,914,725</u>	<u>\$2,793,876</u>	<u>\$879,167</u>	<u>\$133,761</u>	<u>\$18,656,666</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, 2002

Function	General Fixed Assets July 1, 2001	Increases	(Decreases)	General Fixed Assets June 30, 2002
Instruction:				
Regular	\$779,801	\$24,553	(\$9,907)	\$794,447
Special	1,726	54	(22)	1,758
Support services:				
Pupil	595,116	18,738	(7,561)	606,293
Instructional staff	157,923	4,972	(2,006)	160,889
Administration	41,297	1,300	(525)	42,072
Fiscal	43,117	1,358	(548)	43,927
Operations and maintenance	321,651	10,128	(4,087)	327,692
Pupil transportation	773,543	24,356	(9,828)	788,071
Central	6,134	193	(78)	6,249
Community services	84,591	2,663	(1,075)	86,179
Extracurricular activities	82,313	2,592	(1,046)	83,859
Facilities services	15,425,517	485,690	(195,977)	15,715,230
Total General Fixed Assets	<u>\$18,312,729</u>	<u>\$576,597</u>	<u>(\$232,660)</u>	<u>\$18,656,666</u>

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
JUNE 30, 2002

General Fixed Assets:

Land and improvements	\$1,935,137
Buildings and improvements	12,914,725
Equipment and furniture	2,793,876
Vehicles	879,167
Construction in progress	133,761
	133,761
Total General Fixed Assets	\$18,656,666

Investment in General Fixed Assets by Source:

Acquisitions since July 1, 1992

General Fund	\$4,929,111
Permanent Improvement Fund	1,083,866
Building Fund	5,593,129
District Managed Student Activity Fund	837,191
Lottery Funds	19,533
SchoolNet Grant Fund	46,581
Security Grant Fund	5,259
Title VI Fund	2,380
Donations	3,632
Student Managed Activity Fund	876
	876
Total acquisitions since system start-up	12,521,558

Acquisitions prior to June 30, 1992	6,135,108
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Total Investment in General Fixed Assets	\$18,656,666
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STATISTICAL SECTION

Cuyahoga Heights Schools

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

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Current:										
Instruction:										
Regular	\$5,122,299	\$4,893,119	\$4,604,228	\$4,593,099	\$4,082,113	\$3,949,883	\$4,400,373	\$4,112,231	\$3,903,461	\$3,787,788
Special	555,138	409,784	378,425	355,993	157,260	153,877	148,095	144,717	108,695	121,739
Other	110,803	195,940	163,353	109,406	172,621	93,374	78,555	58,514	104,406	115,578
Support Services:										
Pupil	883,433	861,292	777,287	829,054	706,822	593,534	618,866	593,263	534,783	571,589
Instructional staff	731,670	675,335	587,517	499,811	498,905	417,926	437,669	395,582	401,185	382,578
Board of Education	241,064	62,251	38,889	45,722	37,640	27,973	40,592	30,781	24,884	26,768
Administration	1,115,409	1,069,044	969,105	776,680	487,518	642,371	1,106,895	935,301	862,458	792,152
Fiscal	456,560	514,475	440,326	488,215	401,531	410,106	442,048	413,378	354,852	432,768
Business	74,441	49,187	87,403	85,112	73,413	52,730	66,412	59,973	59,019	49,213
Operations and maintenance	1,394,249	1,405,558	1,260,194	1,301,003	1,182,946	1,147,083	1,311,873	1,343,936	1,202,726	1,203,592
Pupil transportation	723,219	686,819	575,051	546,238	431,048	398,426	421,049	421,159	415,767	483,790
Central	44,168	31,712	25,653	29,692	31,216	48,270	47,707	51,165	86,827	63,738
Community services	98,606	110,421	74,520	69,409	39,545	10,454	34,992	49,127	47,718	46,884
Extracurricular activities	527,816	430,768	376,700	427,571	339,571	288,774	286,731	281,504	260,796	228,872
Miscellaneous	-	-	-	-	-	-	-	-	1,094	765,974
Facilities services	-	75,326	313,177	228,671	236,752	-	15,890	11,094	-	-
Capital outlay	-	27,395	-	-	140,562	113,890	-	-	-	-
Debt service	27,362	45,034	44,665	44,666	132,733	18,519	20,201	20,201	17,670	16,734
Total	\$12,106,237	\$11,543,460	\$10,716,493	\$10,430,342	\$9,152,196	\$8,367,190	\$9,477,948	\$8,921,926	\$8,386,341	\$9,089,757

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

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Taxes	\$10,701,194	\$10,759,249	\$10,537,052	\$11,344,659	\$9,256,357	\$8,030,003	\$7,981,911	\$7,354,976	\$7,508,156	\$8,298,477
Earnings on investments	327,672	785,466	345,136	279,751	256,303	238,452	248,548	362,711	144,279	207,731
Tuition	-	34,855	48,789	3,650	4,030	2,275	8,943	10,857	13,704	9,994
Other local revenues	24,382	32,208	37,342	35,489	82,820	33,200	11,615	34,222	21,201	19,642
Revenue from intermediate sources	118,162	105,780	86,196	81,367	108,987	-	13,123	62,912	166	-
Intergovernmental-state	1,340,298	989,221	1,040,656	952,063	749,174	727,364	562,731	495,254	195,950	845,832
Total	<u>\$12,511,708</u>	<u>\$12,706,779</u>	<u>\$12,095,171</u>	<u>\$12,696,979</u>	<u>\$10,457,671</u>	<u>\$9,031,294</u>	<u>\$8,826,871</u>	<u>\$8,320,932</u>	<u>\$7,883,456</u>	<u>\$9,381,676</u>

Source: School District Financial Records.

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
2001	\$6,259,705	\$480,587	\$6,740,292	\$6,364,499	101.67%	\$474,916	\$6,839,415	98.82%
2000	6,643,384	333,118	6,976,502	6,366,637	95.83%	249,680	6,616,317	94.84%
1999	6,536,875	145,980	6,682,855	6,337,307	96.95%	102,201	6,439,508	96.36%
1998	6,407,914	174,617	6,582,531	6,279,194	97.99%	109,320	6,388,514	97.05%
1997	4,879,747	82,711	4,962,458	4,722,461	96.78%	40,479	4,762,940	95.98%
1996	4,878,788	224,266	5,103,054	4,817,664	98.75%	151,323	4,968,987	97.37%
1995	4,849,757	220,002	5,069,759	4,552,148	93.86%	110,335	4,662,483	91.97%
1994	4,670,452	202,805	4,873,257	4,584,216	98.15%	82,026	4,666,242	95.75%
1993	4,651,757	171,138	4,822,895	4,475,898	96.22%	108,527	4,584,425	95.06%
1992	4,279,568	124,580	4,404,148	4,171,251	97.47%	67,867	4,239,118	96.25%
1991	3,699,118	164,077	3,863,195	3,614,265	97.71%	116,193	3,730,458	96.56%

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

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

(2) Represents the collection year. Year 2002 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 Personal Property		Public Utility Tangible Personal Property	Total Assessed Value	Estimated Actual Value (1)	Assessed Value as a Percent of Actual Value
			Personal Property	Personal Property				
2002	\$81,271,550	\$188,458,070	\$217,514,923	\$34,947,430	\$522,191,973	\$1,680,428,738	31.07%	
2001	80,632,990	183,759,740	227,216,434	48,671,460	540,280,624	1,719,582,013	31.42%	
2000	72,320,520	167,184,270	225,461,771	45,215,580	510,182,141	1,637,527,825	31.16%	
1999	71,785,000	157,393,180	217,943,263	49,539,070	496,660,513	1,582,862,250	31.38%	
1998	71,589,200	154,789,810	208,115,925	48,201,880	482,696,815	1,534,035,735	31.47%	
1997	65,200,600	144,988,870	188,469,099	47,373,720	446,032,289	1,408,251,512	31.67%	
1996	64,709,840	144,785,120	181,935,118	47,352,670	438,782,748	1,380,107,353	31.79%	
1995	63,428,830	144,013,740	185,673,212	47,735,500	440,851,282	1,389,630,792	31.72%	
1994	56,281,990	142,364,160	171,090,938	49,799,370	419,536,458	1,308,514,374	32.06%	
1993	54,399,300	141,952,170	182,365,640	48,422,130	427,139,240	1,345,491,908	31.75%	

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 2001:

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.

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
2001									
Village of Brooklyn Hts.	\$23.80	\$2.00	\$17.60	\$4.40	\$47.80	\$0.90	\$0.27	\$0.00	\$1.17
Village of Cuyahoga Hts.	23.80	2.00	17.60	4.40	47.80	0.90	0.27	0.00	1.17
Village of Valley View	23.80	2.00	17.60	7.10	50.50	0.90	0.27	0.00	1.17
2000									
Village of Brooklyn Hts.	23.80	2.00	17.60	4.40	47.80	0.90	0.27	0.00	1.17
Village of Cuyahoga Hts.	23.80	2.00	17.60	4.40	47.80	0.90	0.27	0.00	1.17
Village of Valley View	23.80	2.00	17.60	7.10	50.50	0.90	0.27	0.00	1.17
1999									
Village of Brooklyn Hts.	23.90	2.00	16.70	4.40	47.00	1.00	0.27	0.00	1.27
Village of Cuyahoga Hts.	23.90	2.00	16.70	4.40	47.00	1.00	0.27	0.00	1.27
Village of Valley View	23.90	2.00	16.70	7.10	49.70	1.00	0.27	0.00	1.27
1998									
Village of Brooklyn Hts.	23.90	2.00	18.00	4.40	48.30	1.00	0.27	0.00	1.27
Village of Cuyahoga Hts.	23.90	2.00	18.00	4.40	48.30	1.00	0.27	0.00	1.27
Village of Valley View	23.90	2.00	18.00	7.10	51.00	1.00	0.27	0.00	1.27
1997									
Village of Brooklyn Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	18.00	7.10	46.10	0.00	0.27	0.00	0.27
1996									
Village of Brooklyn Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	18.00	4.40	43.40	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	18.00	7.10	46.10	0.00	0.27	0.00	0.27
1995									
Village of Brooklyn Hts.	19.00	2.00	18.20	4.40	43.60	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	18.20	4.40	43.60	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	18.20	7.10	46.30	0.00	0.27	0.00	0.27
1994									
Village of Brooklyn Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	17.80	7.10	45.90	0.00	0.27	0.00	0.27
1993									
Village of Brooklyn Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	19.00	2.00	17.80	4.40	43.20	0.00	0.27	0.00	0.27
Village of Valley View	19.00	2.00	17.80	7.10	45.90	0.00	0.27	0.00	0.27
1992									
Village of Brooklyn Hts.	18.00	2.00	17.80	4.40	42.20	0.00	0.27	0.00	0.27
Village of Cuyahoga Hts.	18.00	2.00	17.80	4.40	42.20	0.00	0.27	0.00	0.27
Village of Valley View	18.00	2.00	17.80	7.10	44.90	0.00	0.27	0.00	0.27

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

Fiscal 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
2002	\$3,456,475	\$522,191,973	4,320	0.66%	\$800
2001	3,884,210	540,280,624	4,799	0.72%	809
2000	4,308,617	510,182,141	4,585	0.84%	940
1999	4,697,198	496,660,513	4,212	0.95%	1,115
1998	5,091,823	482,696,815	4,281	1.05%	1,189
1997	5,433,661	446,032,289	4,337	1.22%	1,253
1996	4,359,761	438,782,748	4,333	0.99%	1,006
1995	4,560,321	440,851,282	4,381	1.03%	1,041
1994	4,721,722	419,536,436	4,382	1.13%	1,078
1993	4,832,226	427,139,240	4,365	1.13%	1,107

Source: Cuyahoga County Auditor; 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) Year 2000 is actual population per U.S. Census Bureau, all other years are estimates by the Villages of Brooklyn Heights, Cuyahoga Heights, and Valley View.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2002

	Total Voted Debt Margin (1)	Total Unvoted Debt Margin (2)	Total Energy Conservation Debt Margin (3)
Assessed Valuation: Collection Year 2001	\$522,191,973	\$522,191,973	\$522,191,973
Debt Limitation	46,997,278	522,192	4,699,728
Outstanding Debt:			
General Obligation Bonds	3,370,000	3,370,000	3,370,000
Energy Conservation Loan	642,364	642,364	642,364
Total Outstanding Debt	4,012,364	4,012,364	4,012,364
Exemptions:			
General Obligation Bonds	-	(3,370,000)	(3,370,000)
Energy Conservation Loan	(642,364)	(642,364)	-
Total Exemptions	(642,364)	(4,012,364)	(3,370,000)
Less: Amount Available in Debt Service Fund	(555,889)	0	0
Net Debt Subject to Limitation	2,814,111	0	642,364
Total Legal Debt Margin (Debt Limitation Less Net Debt Subject to Limitation)	<u>\$44,183,167</u>	<u>\$522,192</u>	<u>\$4,057,364</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 0.1% of the assessed valuation.
The District has no unvoted debt subject to the legal debt margin.
- (3) The legal energy conservation debt margin for school districts in Ohio is 0.9% of the assessed valuation.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

DECEMBER 31, 2001

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to the School District (1)	Amount Applicable to the School District
<u>Direct:</u>			
Cuyahoga Heights Local School District	\$4,012,364	100.00%	\$4,012,364
Total Direct	<u>4,012,364</u>		<u>4,012,364</u>
<u>Overlapping:</u>			
Brooklyn Heights Village	935,000	19.80%	185,130
Cuyahoga Heights Village	-	-	-
Valley View Village	6,484,000	34.90%	2,262,916
Cuyahoga County	216,544,636	1.89%	4,092,694
RTA (2)	123,915,000	1.89%	2,341,994
Total Overlapping	<u>347,878,636</u>		<u>8,882,734</u>
Grand Total-Direct and Overlapping	<u><u>\$351,891,000</u></u>		<u><u>\$12,895,098</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the political subdivision. The valuations used were for the 2001 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

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Debt Service Expenditures as a Percent of General Fund Expenditures
2002	\$356,421	\$230,613	\$587,034	\$12,106,237	4.85%
2001	339,495	251,816	591,311	11,543,460	5.12%
2000	322,907	278,695	601,602	10,716,493	5.61%
1999	306,642	299,818	606,460	10,430,342	5.81%
1998	295,685	313,079	608,764	9,152,196	6.65%
1997	306,486	298,933	605,419	8,367,190	7.24%
1996	165,000	259,500	424,500	9,477,948	4.48%
1995	160,000	264,543	424,543	8,921,926	4.76%
1994	155,000	336,600	491,600	8,386,341	5.86%
1993	-	-	-	9,089,757	-

Source: School District Financial Records.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

DEMOGRAPHIC STATISTICS

LAST TEN CALENDAR YEARS

Year	Population (1)			Value of New Building Permits			Median Income (2)	
	Cuyahoga County	Village of Brooklyn Heights	Village of Cuyahoga Heights	Village of Brooklyn Heights	Village of Cuyahoga Heights	Village of Valley View	District	State
2001	1,380,421	1,558	603	\$6,760,848	\$623,577	\$9,094,897	33,215	28,289
2000	1,393,978	1,800	599	2,357,993	1,025,665	14,981,900	33,215	28,821
1999	1,371,717	1,600	585	4,756,972	4,354,400	4,094,378	33,215	29,363
1998	1,380,696	1,445	626	3,432,178	10,271,000	16,834,200	31,097	27,310
1997	1,399,272	1,482	648	3,294,184	19,133,290	7,993,733	27,061	24,431
1996	1,399,272	1,482	648	5,832,330	6,550,200	9,305,722	27,061	24,588
1995	1,413,348	1,459	667	6,888,674	4,324,600	5,666,539	24,373	23,478
1994	1,413,348	1,459	667	2,733,776	2,098,987	3,283,272	24,905	23,361
1993	1,415,825	1,447	680	4,135,919	5,642,065	5,783,044	N/A	N/A
1992	1,415,825	1,447	680	932,350	14,035,791	12,955,000	N/A	N/A

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

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

(2) State of Ohio Department of Taxation.

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>Cuyahoga County Unemployment Rate (2)</u>	<u>Financial Institution Deposits</u>
2001	\$770,656,057	4.6%	\$63,893,769
2000	755,407,800	4.6%	61,942,764
1999	684,299,400	4.6%	60,198,073
1998	654,794,800	4.5%	58,904,596
1997	646,797,171	4.9%	53,941,971
1996	600,541,343	4.7%	27,068,211
1995	598,557,029	4.9%	22,694,304
1994	592,693,057	5.3%	21,101,872
1993	567,560,429	7.6%	21,998,821
1992	561,004,200	6.3%	19,379,203

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

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

(2) The Cuyahoga County unemployment rate for calendar year 2001 has not yet been updated.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

PRINCIPAL TAXPAYERS

DECEMBER 31, 2001

Taxpayer	Nature of Business	Assessed Valuation (1)		Combined Real Estate and Tangible Property Assessed Valuation	Assessed Valuation As a Percent of Total Assessed Valuation
		Real Estate	Tangible Property		
LTV Steel Company, Inc.	Steel production	\$11,931,220	\$30,730,990	\$42,662,210	8.17%
Alcoa, Inc.	Aluminum production	-	27,194,110	27,194,110	5.21%
American Steel & Wire Corp.	Steel wire and rods	4,193,210	17,436,560	21,629,770	4.14%
Cleveland Electric Illuminating Company	Electric utility	19,769,910	-	19,769,910	3.79%
Gibraltar Strip Steel, Inc.	Steel production	1,044,160	10,135,710	11,179,870	2.14%
American Transmission Systems, Inc.	Electric power supply	10,225,350	-	10,225,350	1.96%
CA II, LLC	Real estate development	8,238,030	-	8,238,030	1.58%
North America Manufacturing Company	Combustion boilers	2,159,990	4,858,400	7,018,390	1.34%
Ferro Corp.	Chemicals and material coatings	1,032,990	5,145,640	6,178,630	1.18%
MRN Investments Limited	Investment portfolios	5,925,050	-	5,925,050	1.13%
Aluminum Company of America, Inc.	Aluminum and titanium forgings	5,086,250	-	5,086,250	0.97%
Freeway Corp.	Custom metal stamping	2,286,700	1,674,670	3,961,370	0.76%
Valley Ford Truck Sales, Inc.	Retail truck sales	-	3,744,270	3,744,270	0.72%
Park Ohio Holdings Corp.	Metal fabrication manufacturing	-	3,716,270	3,716,270	0.71%
Fogg Corporate, LLC	Corporate property development	3,571,760	-	3,571,760	0.68%
Total assessed valuation of principal taxpayers		75,464,620	104,636,620	180,101,240	34.49%
Total assessed valuation of the School District		269,729,620	252,462,353	522,191,973	

Source: Cuyahoga County Auditor.

(1) Assessed values are for 2001.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

ENROLLMENT STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
2002	\$12,106,237	830	\$14,586
2001	11,543,460	839	13,759
2000	10,716,493	833	12,865
1999	10,430,342	840	12,417
1998	9,152,196	835	10,961
1997	8,367,190	836	10,009
1996	9,477,948	833	11,378
1995	8,921,926	836	10,672
1994	8,386,341	802	10,457
1993	9,089,757	792	11,477

Source: School District Financial Records.

TABLE 14

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

TEACHER EDUCATION AND EXPERIENCE

JUNE 30, 2002

Degree	Number of Teachers	Percentage of Total Teachers
Bachelor's Degree	6	9.38%
Bachelor's Degree plus 18 hours	16	25.00%
Bachelor's Degree plus 30 hours	1	1.56%
Master's Degree	20	31.25%
Master's Degree plus 18 hours	20	31.25%
Ed. D.	1	1.56%
Total number of teachers	<u>64</u>	<u>100.00%</u>

Years of Experience	Number of Teachers	Percentage of Total Teachers
0 to 5	13	20.31%
6 to 10	8	12.50%
11 to 20	18	28.13%
21 and over	25	39.06%
Total number of teachers	<u>64</u>	<u>100.00%</u>

Source: School District Personnel Records.

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

AVERAGE ACT SCORES

LAST TEN FISCAL YEARS

Fiscal Year	AVERAGE ACT SCORES				School District Composite	School District Number Tested	State of Ohio Average	National Average
	School District English	School District Reading	School District Math	School District Science				
2002	21.0	21.8	22.4	21.6	21.8	62	21.4	20.8
2001	22.4	23.4	22.9	22.9	23.1	52	21.4	21.0
2000	22.0	23.4	22.0	22.9	22.8	44	21.4	21.0
1999	21.0	24.5	24.3	24.3	24.2	45	21.4	21.0
1998	21.0	22.5	22.2	21.9	22.1	58	21.4	21.0
1997	21.0	20.9	20.8	21.1	20.7	64	21.3	21.0
1996	20.9	21.6	22.6	21.7	21.8	50	21.3	20.9
1995	20.8	22.0	21.5	N/A	21.8	59	21.2	20.8
1994	20.8	21.9	22.4	N/A	22.1	22	21.2	20.8
1993	20.7	22.9	21.3	N/A	20.9	35	21.0	20.7

Source: School District Records and American College Testing Program.

Cuyahoga Heights Schools

Excellence in Education

Since 1938

A Hall of Fame School

**CUYAHOGA HEIGHTS LOCAL
SCHOOL DISTRICT**

SUPPLEMENTAL REPORT

JUNE 30, 2002

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

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

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

We have audited the general purpose financial statements of Cuyahoga Heights Local School District, Cuyahoga County, as of and for the fiscal year ended June 30, 2002, and have issued our report thereon dated November 5, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Cuyahoga Heights Local School District's general purpose 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 general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Board of Education
Cuyahoga Heights Local School District

Internal Control Over Financial Reporting

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

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

Trimble, Julian & Grube, Inc.
November 5, 2002



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

CUYAHOGA HEIGHTS LOCAL SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 6, 2003**