

**PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY**

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009



Mary Taylor, CPA
Auditor of State

Board of Education
Perry Local School District
4325 Manchester Avenue
Perry, Ohio 44041

We have reviewed the *Independent Auditor's Report* of the Perry Local School District, Lake County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 11, 2009

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**PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2009**

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Board of Education
Perry Local School District
Perry, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Lake County, Ohio, as of and for the year ended June 30, 2009, which collectively comprise the Perry Local School District, Ohio's basic financial statements and have issued our report thereon dated October 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Perry Local School District, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Perry Local School District, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Perry Local School District, Ohio's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Perry Local School District, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Perry Local School District, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the Perry Local School District, Ohio's internal control.

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

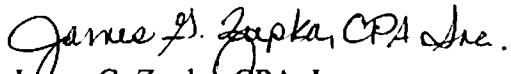
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the Perry Local School District, Ohio, in a separate letter dated October 30, 2009.

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


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

October 30, 2009

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Board of Education
Perry Local School District
Perry, Ohio

Compliance

We have audited the compliance of Perry Local School District, Lake County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. The Perry Local School District, Ohio's major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Perry Local School District, Ohio's management. Our responsibility is to express an opinion on the Perry Local School District, Ohio's compliance based on our audit.

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

In our opinion, the Perry Local School District, Ohio complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

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

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Ohio, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 30, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Perry Local School District, Ohio's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

James G. Zupka, CPA, Inc.

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

October 30, 2009

**PERRY LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor Number	Receipts	Non Cash Receipts	Expenditures	Non Cash Expenditures
<u>U.S. Department of Agriculture</u>						
<i>Passed through State Department of Education</i>						
Child Nutrition Cluster						
School Lunch Program	10.555	047902-LLP4-2009	<u>\$ 145,825</u>	<u>\$ 68,691</u>	<u>\$ 145,825</u>	<u>\$ 68,691</u>
Total Child Nutrition Cluster			<u>145,825</u>	<u>68,691</u>	<u>145,825</u>	<u>68,691</u>
Total U.S. Department of Agriculture			<u>145,825</u>	<u>68,691</u>	<u>145,825</u>	<u>68,691</u>
<u>U.S. Department of Education</u>						
<i>Passed through State Department of Education</i>						
Title I School Subsidy - FY 2009	84.010	047902-C1S1-2009	<u>108,812</u>	<u>0</u>	<u>108,812</u>	<u>0</u>
			<u>108,812</u>	<u>0</u>	<u>108,812</u>	<u>0</u>
Special Education Cluster						
SE-IDEA Part B FY 2009	84.027	047902-6BSF-2009	313,273	0	313,273	0
SE-IDEA Preschool FY 2009	84.173	047902-PGS1-2009	<u>10,436</u>	<u>0</u>	<u>10,436</u>	<u>0</u>
Total Special Education Cluster			<u>323,709</u>	<u>0</u>	<u>323,709</u>	<u>0</u>
Title IV-A Safe/Drug Free FY 2009	84.186	047902-DRS1-2009	<u>3,483</u>	<u>0</u>	<u>3,483</u>	<u>0</u>
			<u>3,483</u>	<u>0</u>	<u>3,483</u>	<u>0</u>
Title V FY 2009	84.298	047902-C2S1-2009	<u>271</u>	<u>0</u>	<u>2,506</u>	<u>0</u>
			<u>271</u>	<u>0</u>	<u>2,506</u>	<u>0</u>
Title II-D Technology FY 2009	84.318	047902-TJS1-2009	<u>130</u>	<u>0</u>	<u>1,064</u>	<u>0</u>
			<u>130</u>	<u>0</u>	<u>1,064</u>	<u>0</u>
Title II-D FY 2009	84.367	047902-TRS1-2009	<u>35,637</u>	<u>0</u>	<u>28,894</u>	<u>0</u>
			<u>35,637</u>	<u>0</u>	<u>28,894</u>	<u>0</u>
Total U.S. Department of Education			<u>472,042</u>	<u>0</u>	<u>468,468</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 617,867</u>	<u>\$ 68,691</u>	<u>\$ 614,293</u>	<u>\$ 68,691</u>

See accompanying notes to Supplemental Schedule of Expenditures of Federal Awards.

**PERRY LOCAL SCHOOL DISTRICT
NOTES TO THE SUPPLEMENTAL SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS - CASH
JUNE 30, 2009**

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: NONCASH SUPPORT

The District receives noncash support in the form of food subsidies from the National School Lunch Program (NSLP), CFDA #10.555. The value of the food subsidies is determined by using the fair market value of the food items as quoted by local food suppliers.

**PERRY LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

2009(i)	Type of Financial Statement Opinion	Unqualified
2009(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2009(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2009(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2009(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2009(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2009(v)	Type of Major Program's Compliance Opinion	Unqualified
2009(vi)	Are there any reportable findings under .510?	No
2009(vii)	Major Programs (list): Special Education Cluster - IDEA, Part B and IDEA Preschool - CFDA #84.027 and 84.173	
2009(viii)	Dollar Threshold: Type A\B Program	Type A: \$300,000 or more Type B: All others less than \$300,000
2009(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**PERRY LOCAL SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2009**

The prior audit report, as of June 30, 2008, included no citations or instances of noncompliance. Management letter recommendations were corrected or procedures instituted to prevent occurrences in this audit period.

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Education
Perry Local School District
Perry, Ohio

To the Board of Education:

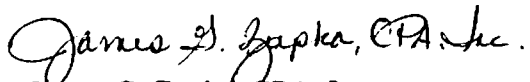
Ohio Revised Code Section 117.53 states, "the Auditor of State shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The Auditor of State shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether the Perry Local School District (the District), Lake County, Ohio, has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted that the Board revised its anti-harassment policy at its meeting on December 18, 2007.
2. We read the policy, noting it included the following requirements from Ohio Revised Code Section 3313.666(B):
 - a) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - b) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
 - c) A procedure for reporting prohibited incidents;
 - d) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - e) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by Section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974", 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - f) A procedure for documenting any prohibited incident that is reported;
 - g) A procedure for responding to and investigating any reported incident;
 - h) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
 - I) A disciplinary procedures for any student guilty of harassment, intimidation, ro bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
 - j) A requirement that the District Administration semi-annually provide the President of the District Board a written summary of all reported incidents and post the summary on its web site, if the District has a web site, to the extent permitted by Section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974", 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



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

October 30, 2009

Perry Local School District

Lake County, Ohio

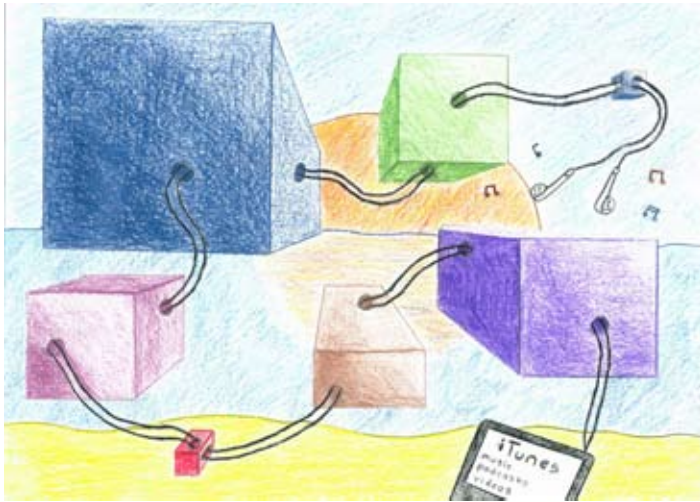
Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2009



Melissa - Grade 3

INTRODUCTORY SECTION



Sarah - Grade 7



Aidan - Grade K



Emily - Grade 12

Perry Local School District, Lake County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Perry Local School District

Lake County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2009

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

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Mission Statement

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

October 30, 2009

Members of the Board of Education and
Residents of the Perry Local Schools

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Perry Local School District (the “School District”) for the fiscal year ended June 30, 2009. This CAFR includes an unqualified (“clean”) opinion from James G. Zupka, CPA, Inc. and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner that is designed to present fairly the financial position of the School District for all operations. This report is intended to provide the taxpayers of Perry with the comprehensive financial data in a format that will enable them to gain a transparent understanding of the School District’s financial operations. Copies of the CAFR will be made available to the Perry Public Library, major taxpayers, other interested parties, and on the School District web site.

The School District

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

Within the three communities, the School District educates approximately 1,880 students in grades K-12 or 95 percent of all school-age children within its jurisdiction. The School District is comprised of one high school, one middle school, and one elementary school. The three buildings are contained under one roof and comprise an interconnected educational campus via a one mile corridor. Beyond the main campus, the School District owns four other school buildings and a maintenance facility. The appraised value of all School District properties (including land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks) is \$52,231,769 (net of depreciation) as of June 30, 2009.

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

The Reporting Entity

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

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

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

Organizational Structure

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

The School District is located in Perry Village, Lake County, Ohio, and serves students legally residing in Perry Village, Perry Township, and North Perry Village. The area extends roughly 24 square miles. The School District is staffed by 104 non-teaching personnel, 128 certified/licensed teachers, 15 exempt employees, and 10 administrative employees to provide services to 1,880 students, their parents/guardians, and our communities at large. The School District operates one elementary school (K-4), one middle school (5-8), and one high school (9-12).

Economic Condition and Outlook

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

Since the inception of the Perry Nuclear Power Plant, the School District has not needed to solicit a tax levy from its communities. However, as the power plant converts real property to personal property, and as personal property depreciates, the total valuation of the School District has eroded, and residential landowners have taken on a greater share of the tax burden. Additionally, with the enactment of deregulation legislation in 2001, the School District will lose approximately 40 percent of its revenue or approximately \$10 million in 2017. The School District has been and will continue to be in cost containment and reduction mode as the current economic conditions have reduced property growth to negligible amounts. The School District administration and Board of Education members remain committed to demonstrating financial responsibility to local taxpayers by enacting long-range plans to account for the loss of School District revenue in 2017.

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

The School District's enrollment has remained relatively stable throughout the last decade, fluctuating only by about 3 percent, and is projected to remain stable in census data available for the future. As a result, additional revenue from the State of Ohio will be minimal given the current formula utilized to calculate State aid.

School District Local Funding

School District management will carefully control expenses during the coming years to continue to assure that revenues are adequate and spent in a fiscally responsible manner. Since 2005, the financial cycles illustrate that the School District has reduced approximately \$4 million in annual spending as determined from the FY2005 Five-Year Forecast. The School District will continue to reduce spending to achieve the Board goal of reducing the per pupil expenditure to approximately \$12,500 for the upcoming FY2010 school year, while also ensuring that School District expenditures do not exceed revenue generated.

Major Initiatives

The School District is currently undergoing an analysis to determine if the Center Road facility should be auctioned, sold, partially renovated, or demolished as a cost savings measure for the School District. This facility currently contains the School District's transportation center which will have to be refurbished, moved, or rebuilt. As shared via Channel 22 and other School District communications, this process will be ongoing throughout 2009. It is anticipated that a final decision of the outcome will be made by June 2010.

Ohio Report Card

The Ohio Report Card is issued in early fall of each school year. The report uses data from the previous school year to inform the public of the School District's success or failure on thirty (30) grade-level indicators, student attendance rates, and the School District's graduation rate. The 2009 report card demonstrated that the School District achieved an "Excellent" rating by meeting every indicator. This marks the sixth consecutive year the School District has achieved an "Excellent" rating. School District personnel, parents/guardians, and our communities at large are very proud of the academic achievements of our students.

Federal Projects

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

Educational Programs and Facilities Improvement

The School District maintains a Permanent Improvement Fund for the purpose of maintaining the School District's facilities and making necessary improvements when and where applicable. As of June 30, 2009, the cash balance of the Permanent Improvement Fund was \$13,150,002. As the School District moves forward, these funds will pay for capital expenses throughout the School District and its facilities.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

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

The School District's Board of Education approves all financial reports on a monthly basis.

Financial Condition

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

Government-wide financial statements- these statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District does not have any business-type activities.

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

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

As part of the new reporting model, management, in conjunction with James G. Zupka, CPA, Inc., is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion follows the Independent Auditor's Report, providing an assessment of the School District's finances for 2009 and a comparison to performance in 2008 and analysis of resources available for the future. Because the discussion focuses on major funds, only the internal service fund is discussed briefly in this letter.

Long-term Financial Planning

The five-year forecast of Revenue and Expenditures serves as a financial planning tool and the foundation for academic and business operations of the School District. The forecast provides the Board and community stakeholders with a blueprint addressing the financial needs required to serve the student population. Assumptions are an integral part of the forecast and represent what the School District believes are significant factors impacting the forecast. A key component of the forecast is the timeline for the School District to evaluate revenues and expenditures and the increase or decrease in unreserved fund balances over the next five years. An in-depth review and analysis of the five-year forecast is performed annually.

Relevant Financial Policies

The School District maintains a policy to replace textbooks, technology, necessary supplies, vehicles and maintenance of the School District's facilities on a regular basis in a cost efficient manner. Such replacement is provided for in both the general and capital projects fund. The Board of Education has maintained a cash position in the Capital Projects fund of at least \$12.5 million to provide for such future issues related to facility maintenance and technology.

Independent Audit

State statute requires the School District to be audited at least every two fiscal years by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor, James G. Zupka, CPA, Inc., was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2009. The opinion appears at the beginning of the financial section of this report.

Acknowledgments

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

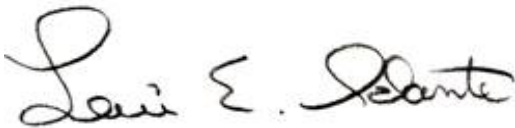
Perry Local School District, Lake County

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

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

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

Respectfully submitted,

Handwritten signature of Lewis E. Galante in cursive script.

Lewis Galante, Chief Financial Officer

Handwritten signature of Michael L. Sawyers in cursive script.

Michael Sawyers, Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Perry Local School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.



President

Executive Director

PRINCIPAL OFFICIALS

JUNE 30, 2009

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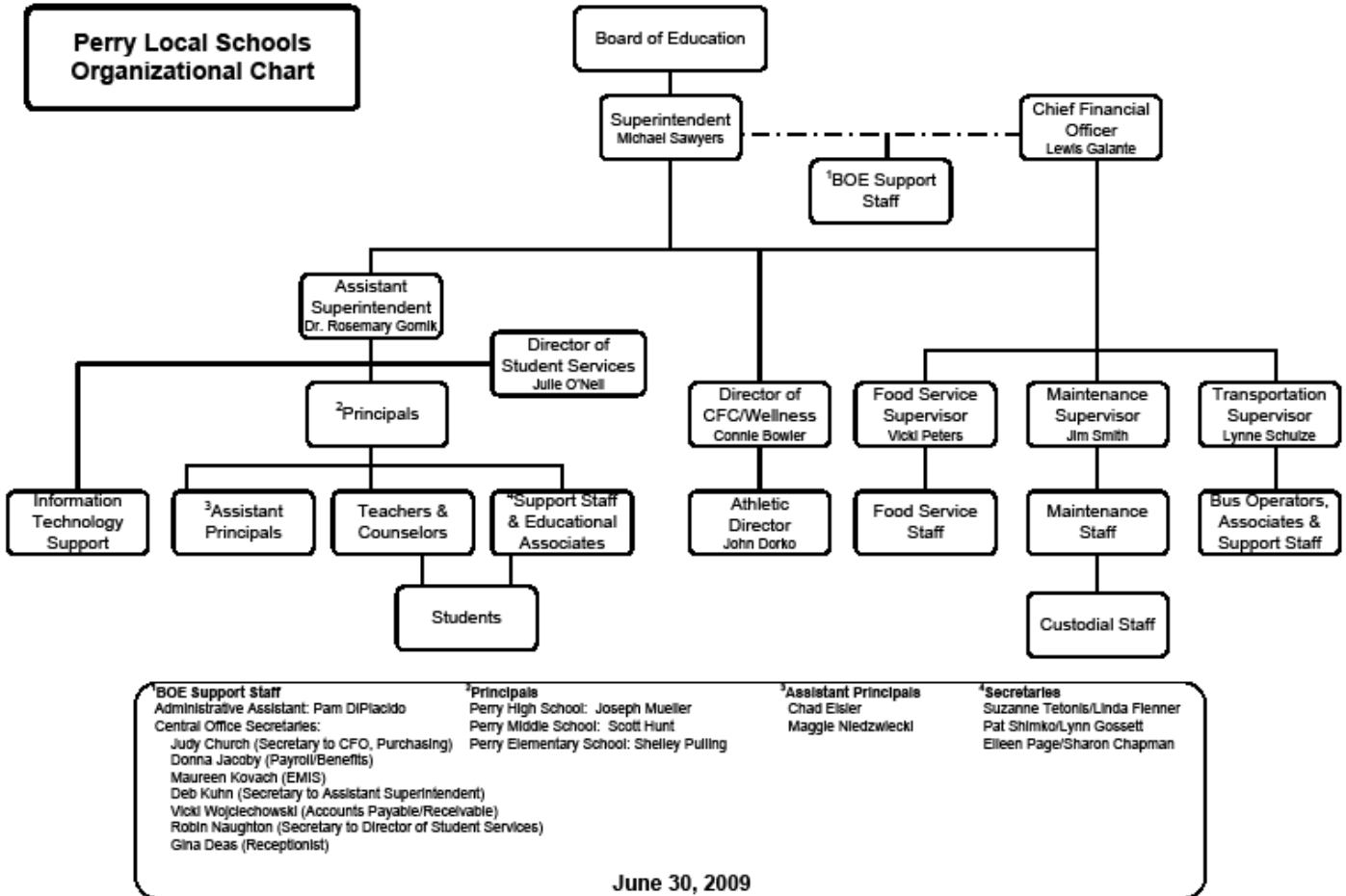
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Mr. Lewis Galante

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



FINANCIAL SECTION



Clayton - Grade 5



Mackenzie - Grade 3



Stephen - Grade 6

Perry Local School District, Lake County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Perry Local School District
Perry, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Lake County, Ohio, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Perry Local School District, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Ohio, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2009, on our consideration of the Perry Local School District, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



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

October 30, 2009

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2009

The management's discussion and analysis of the Perry Local School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009. The intent of the management's discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- In total, net assets decreased \$940,162 or by 1.2 percent.
- General revenues accounted for \$27,861,341 or 94.0 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,783,680 or 6.0 percent of total revenues of \$29,645,021.
- Total assets of governmental activities decreased by \$688,482 as equity in pooled cash and cash equivalents increased by \$2,888,702, and capital assets decreased by \$3,731,527.
- The School District had \$30,585,183 in expenses related to governmental activities; only \$1,783,680 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes and grants and entitlements) of \$27,861,341 were inadequate to provide for these programs.
- Among major funds, the general fund had \$27,428,599 in revenues (including other financing sources) and \$26,925,400 in expenditures (including other financing uses). The general fund's fund balance increased to \$13,926,083 from \$13,422,884. The permanent improvement capital projects fund increased its fund balance to \$13,176,543 from \$12,759,566.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2009?” The Statement of Net Assets and Statement of Activities answer this question. These statements include all assets and all liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 7. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the general fund and the permanent improvement fund.

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

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

The School District as a Whole

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

Table 1 provides a summary of the School District’s net assets for 2009 compared to 2008:

Table 1 - Net Assets

	Governmental Activities	
	2009	2008*
ASSETS		
Current and other assets	\$ 58,213,186	\$ 55,170,141
Capital assets, net	52,231,769	55,963,296
Total Assets	110,444,955	111,133,437
LIABILITIES		
Current and other liabilities	26,556,665	26,690,146
Long-term liabilities:		
Due within one year	957,499	897,419
Due in more than one year	4,115,052	3,789,971
Total Liabilities	31,629,216	31,377,536
NET ASSETS		
Invested in capital assets, net of related debt	50,637,415	54,144,790
Restricted	16,356,389	13,788,118
Unrestricted	11,821,935	11,822,993
Total Net Assets	\$ 78,815,739	\$ 79,755,901

* Restated

Total assets decreased \$688,482. Equity in pooled cash and cash equivalents increased \$2,888,702 due to the School District’s reduction in expenses. Capital assets decreased \$3,731,527 due to annual depreciation of the School District’s facilities.

Total liabilities increased \$251,680. The School District implemented an early retirement incentive program during fiscal year 2009. This plan resulted in the School District recognizing a liability for employees that elected to participate in the program.

Table 2 shows the changes in net assets for fiscal year 2009 and 2008.

Table 2 - Change in Net Assets

	Governmental Activities	
	2009	2008
REVENUES		
Program Revenues:		
Charges for services	\$ 1,088,078	\$ 1,123,752
Operating grants and contributions	695,602	602,537
Total Program Revenues	1,783,680	1,726,289
General Revenues:		
Property taxes	14,455,059	14,965,281
Grants and entitlements	12,119,566	12,052,117
Investment income	772,699	1,249,528
All other revenues	514,017	510,572
Total General Revenues	27,861,341	28,777,498
Total Revenues	29,645,021	30,503,787
EXPENSES		
Program Expenses:		
Instruction	16,748,087	17,759,624
Supporting Services:		
Pupil and Instructional Staff	2,564,234	3,531,879
Board of Education, Administration, Fiscal and Business	2,695,990	3,284,109
Operation and Maintenance of Plant	4,255,754	4,454,066
Pupil Transportation	1,479,169	1,361,969
Central	37,888	50,928
Operation of Non-Instructional Services	1,369,461	1,419,504
Extracurricular Activities	1,351,305	1,457,243
Interest and Fiscal Charges	83,295	90,102
Total Expenses	30,585,183	33,409,424
Change in Net Assets	(940,162)	(2,905,637)
Net Assets - Beginning of Year, as Restated	79,755,901	82,661,538
Net Assets - End of Year	\$ 78,815,739	\$ 79,755,901

Total revenues decreased \$858,766 or 2.8 percent as compared to fiscal year 2008. This decrease is related to a decrease in interest income as a result of the decline in interest rates on investments.

Total expenses decreased \$2,824,241 or 8.5 percent due to conscious School District reductions that offset future revenue decreases.

Governmental Activities

The School District has carefully planned its financial future by forecasting its revenue and expenses over the next five years. In May 2009, the School District submitted its revised five-year forecast to the Ohio Department of Education. Based upon the current five-year financial forecast, the School District has adequate operating funds for each of the next five years. However, due to the long term prospect of deregulation settlement money being eliminated in 2017, the School District anticipates the need for additional financial capital before the end of the five-year forecast. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some costs which made up 40.9 percent of revenues.

The School District’s dependence upon property taxes is hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 48.8 percent of revenues for governmental activities for the School District in fiscal year 2009.

Instruction comprises 54.8 percent of governmental program expenses. Supporting Services for pupils, instructional staff, and business operations encompasses an additional 36.1 percent. The remaining program expenses of 9.1 percent are expensed to facilitate other obligations of the School District, such as non-instructional services, extracurricular activities, and interest and fiscal charges.

The Statement of Activities shows the cost of program services and the charges for services and operating grants and contributions offsetting those services for 2009 and 2008. Table 3 shows the total cost for services for governmental activities and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3 - Governmental Activities

	Total Cost of Services 2009	Total Cost of Services 2008*	Net Cost of Services 2009	Net Cost of Services 2008*
Instruction	\$ 16,748,087	\$ 17,759,624	\$ (16,285,712)	(17,397,251)
Supporting Services:				
Pupils and Instructional Staff	2,564,234	3,531,879	(2,482,493)	(3,447,189)
Board of Education, Administration, Fiscal, and Business	2,695,990	3,284,109	(2,685,990)	(3,274,109)
Operation and Maintenance of Plant	4,255,754	4,454,066	(4,255,754)	(4,527,545)
Pupil Transportation	1,479,169	1,361,969	(1,451,030)	(1,279,050)
Central	37,888	50,928	(37,888)	(50,928)
Operation of Non-Instructional Services	1,369,461	1,419,504	(443,840)	(468,416)
Extracurricular Activities	1,351,305	1,457,243	(1,075,501)	(1,148,545)
Interest and fiscal charges	83,295	90,102	(83,295)	(90,102)
Total cost of service	\$ 30,585,183	\$ 33,409,424	\$ (28,801,503)	\$ (31,683,135)

* Restated

The dependence upon tax revenues for governmental activities is apparent. 94.2 percent of expenses are supported through taxes and other general revenues. For all governmental activities, general revenue support is over 94.0 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District’s students.

The School District's Funds

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$32,367,295 (including other financing sources) and expenditures of \$29,274,022 (including other financing uses). The net change in fund balance for the year in the general fund experienced an increase of \$503,199 due to the School District's reduction in expenditures. In the permanent improvement capital projects fund, the net change in fund balance for the year increased \$416,977 due to a transfer in from the general fund.

General Fund Budgeting Highlights

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

During the course of fiscal year 2009, the School District amended its general fund budget numerous times, none significant. Fluctuations among the budget base expenditure categories are due to the School District site-based style of budgeting that is designed to tightly control expenditures but provide flexibility for managers to redirect funds as conditions develop during the year.

For the general fund, final budget basis revenue was \$25,775,000 (including other financing sources), which was the same as the original budget estimate. Overall revenue received by the general fund was more than the final budgetary projections by \$1,716,632 or 6.7 percent. Of this difference, a majority of the amount was due to the School District's conservative estimates of real estate tax revenues and the collection of delinquent taxes.

The final appropriations of \$27,340,885 (including other financing uses and prior year's encumbrances) were the same as the original appropriations. Actual expenditures plus outstanding encumbrances for the year were \$216,697 or .9 percent under general fund revised budgetary projections.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2009, the School District had \$52,231,769 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks in governmental activities. Table 4 shows fiscal 2009 balances compared to 2008:

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

	Governmental Activities	
	2009	2008*
Land	\$ 1,200,000	\$ 1,200,000
Land Improvements	2,571,738	3,160,468
Buildings and Improvements	46,691,914	49,687,113
Furniture and Equipment	860,246	996,506
Vehicles	907,871	909,882
Library and Textbooks	-	9,327
Total Capital Assets	\$ 52,231,769	\$ 55,963,296

* Restated

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

During fiscal year 2009, the School District purchased \$180,907 of capital assets. The significant additions to capital assets were made to building and improvements and vehicles. See Note 11 for additional information on capital assets.

Debt

At June 30, 2009, the School District had \$1,722,303 in notes and capital lease outstanding. Table 5 summarizes the School District’s debt outstanding.

Table 5 - Outstanding Debt at Year End

	Governmental Activities	
	2009	2008*
2006 Energy Conservation Note	\$ 1,594,354	\$ 1,789,091
Capital Leases	127,949	217,815
Total Outstanding Debt	\$ 1,722,303	\$ 2,006,906

* **Restated**

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

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

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

School District’s Outlook

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

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

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

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

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

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

Contacting the School District's Financial Management

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

Basic Financial Statements

Statement of Net Assets

June 30, 2009

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 32,214,964
Property Taxes Receivable	25,265,669
Accounts Receivable	372,180
Accrued Interest Receivable	66,878
Intergovernmental Receivable	39,395
Materials and Supplies Inventory	195,935
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	58,165
Nondepreciable Capital Assets	1,200,000
Depreciable Capital Assets	51,031,769
Total Assets	110,444,955
LIABILITIES	
Accounts Payable	106,560
Contracts Payable	12,235
Accrued Wages and Benefits	1,617,275
Intergovernmental Payable	410,840
Accrued Interest Payable	15,637
Matured Compensated Absences Payable	191,605
Retirement Incentive Payable	211,927
Deferred Revenue	23,990,586
Long-term Liabilities:	
Due within one year	957,499
Due in more than one year	4,115,052
Total Liabilities	31,629,216
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	50,637,415
Restricted:	
Capital Projects	13,163,123
School Bus Purchase	58,165
Special Revenue	3,135,101
Unrestricted	11,821,935
Total Net Assets	\$ 78,815,739

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

Statement of Activities

For the Fiscal Year Ended June 30, 2009

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Instruction:				
Regular Instruction	\$ 14,536,488	\$ 28,358	\$ 117,140	\$ (14,390,990)
Special Instruction	1,320,251	3,604	313,273	(1,003,374)
Vocational Instruction	120,587	-	-	(120,587)
Other Instruction	770,761	-	-	(770,761)
Supporting Services:				
Pupils	1,031,255	-	-	(1,031,255)
Instructional Staff	1,532,979	-	81,741	(1,451,238)
Board of Education	86,509	-	-	(86,509)
Administration	1,702,892	-	10,000	(1,692,892)
Fiscal Services	790,862	-	-	(790,862)
Business	115,727	-	-	(115,727)
Operation and Maintenance of Plant Services	4,255,754	-	-	(4,255,754)
Pupil Transportation	1,479,169	28,139	-	(1,451,030)
Central	37,888	-	-	(37,888)
Operation of Non-Instructional Services:				
Food Service Operations	968,702	640,039	173,448	(155,215)
Community Services	189,723	112,134	-	(77,589)
Enterprise Operations	194,898	-	-	(194,898)
Other Operations	16,138	-	-	(16,138)
Extracurricular Activities	1,351,305	275,804	-	(1,075,501)
Interest and Fiscal Charges	83,295	-	-	(83,295)
Total Governmental activities	<u>\$ 30,585,183</u>	<u>\$ 1,088,078</u>	<u>\$ 695,602</u>	<u>(28,801,503)</u>

General Revenues:

Property and Other Local Taxes levied for:

General Purposes	14,455,059
Grants & Entitlements not Restricted to Specific Programs	12,119,566
Investment Income	772,699
All Other Revenues	514,017
Total General Revenues	<u>27,861,341</u>
Change in Net Assets	(940,162)
Net Assets - Beginning of Year, as Restated	<u>79,755,901</u>
Net Assets - End of Year	<u>\$ 78,815,739</u>

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

**Balance Sheet
Governmental Funds**

June 30, 2009

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 15,407,272	\$ 13,150,002	\$ 3,192,690	\$ 31,749,964
Materials and Supplies Inventory	184,851	-	11,084	195,935
Accrued Interest Receivable	49,639	17,239	-	66,878
Accounts Receivable	314,063	9,302	48,815	372,180
Interfund Receivable	3,157	-	-	3,157
Intergovernmental Receivable	-	-	39,395	39,395
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	58,165	-	-	58,165
Property Taxes Receivable	25,265,669	-	-	25,265,669
Total Assets	<u>\$ 41,282,816</u>	<u>\$ 13,176,543</u>	<u>\$ 3,291,984</u>	<u>\$ 57,751,343</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 88,307	\$ -	\$ 18,253	\$ 106,560
Accrued Wages and Benefits	1,574,758	-	42,517	1,617,275
Contracts Payable	12,235	-	-	12,235
Intergovernmental Payable	401,736	-	9,104	410,840
Matured Compensated Absences Payable	191,605	-	-	191,605
Retirement Incentive Payable	190,504	-	21,423	211,927
Interfund Payable	-	-	3,157	3,157
Deferred Revenue	24,897,588	-	21,739	24,919,327
Total Liabilities	<u>27,356,733</u>	<u>-</u>	<u>116,193</u>	<u>27,472,926</u>
Fund Balances:				
Reserved for:				
Encumbrances	158,688	47,330	17,165	223,183
School Bus Purchases	58,165	-	-	58,165
Property Taxes	368,081	-	-	368,081
Unreserved:				
Undesignated, Reported in:				
General Fund	13,341,149	-	-	13,341,149
Special Revenue Funds	-	-	3,158,487	3,158,487
Capital Projects Funds	-	13,129,213	139	13,129,352
Total Fund Balance	<u>13,926,083</u>	<u>13,176,543</u>	<u>3,175,791</u>	<u>30,278,417</u>
Total Liabilities and Fund Balance	<u>\$ 41,282,816</u>	<u>\$ 13,176,543</u>	<u>\$ 3,291,984</u>	<u>\$ 57,751,343</u>

See accompanying notes to the basic financial statements.

**Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities**

June 30, 2009

Total Governmental Funds Balance \$ 30,278,417

*Amounts reported for Governmental Activities in the Statement of Net Assets
are different because:*

Capital Assets used in Governmental Activities are not financial resources
and, therefore, are not reported in the funds 52,231,769

Other long-term assets are not available to pay for current-period expenditures
and, therefore, are deferred in the funds:

Property Taxes	\$ 915,880	
Intergovernmental	12,861	
Total		928,741

Internal Service funds are used by management to charge the costs
of certain activities, such as insurance to individual funds. The assets
and liabilities of the Internal Service fund are included in Governmental
Activities in the Statement of Net Assets. 465,000

Long-term liabilities are not due and payable in the current period and
therefore are not reported in the funds:

General Obligation Notes	(1,594,354)	
Capital Leases	(127,949)	
Retirement Incentive	(681,148)	
Compensated Absences	(2,669,100)	
Accrued Interest Payable	(15,637)	
Total		(5,088,188)

Net Assets of Governmental Activities \$ 78,815,739

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

For the Fiscal Year Ended June 30, 2009

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 14,466,126	\$ -	\$ -	\$ 14,466,126
Intergovernmental	11,885,001	-	751,432	12,636,433
Interest	503,996	268,703	-	772,699
Tuition	16,217	-	-	16,217
Extracurricular Activities	-	-	267,742	267,742
Charges for Services	-	-	112,134	112,134
Transportation Fees	28,140	-	-	28,140
Classroom Materials and Fees	-	-	13,951	13,951
Food Services	-	-	571,348	571,348
Miscellaneous	529,119	253,416	81,470	864,005
Total Revenues	<u>27,428,599</u>	<u>522,119</u>	<u>1,798,077</u>	<u>29,748,795</u>
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	10,469,227	-	111,386	10,580,613
Special Instruction	1,005,585	-	291,878	1,297,463
Vocational Instruction	109,693	-	-	109,693
Other Instruction	773,955	-	-	773,955
Supporting Services:				
Pupils	1,050,623	-	21,721	1,072,344
Instructional Staff	1,518,021	-	106,391	1,624,412
Board of Education	86,509	-	-	86,509
Administration	1,683,482	-	-	1,683,482
Fiscal Services	725,078	-	-	725,078
Business	115,727	-	-	115,727
Operation and Maintenance of Plant Services	4,126,267	-	-	4,126,267
Pupil Transportation	1,299,341	-	9,440	1,308,781
Central	37,888	-	-	37,888
Operation of Non-Instructional Services:				
Food Service Operations	-	-	938,928	938,928
Community Services	112,884	-	101,654	214,538
Enterprise Operations	193,076	-	1,822	194,898
Extracurricular Activities	864,544	-	360,260	1,224,804
Capital Outlay	-	142,859	-	142,859
Debt Service:				
Principal Retirement	-	194,737	-	194,737
Interest and Fiscal Charges	-	67,546	-	67,546
Total Expenditures	<u>24,171,900</u>	<u>405,142</u>	<u>1,943,480</u>	<u>26,520,522</u>
Excess of Revenues Over (Under) Expenditures	<u>3,256,699</u>	<u>116,977</u>	<u>(145,403)</u>	<u>3,228,273</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	-	300,000	2,318,500	2,618,500
Transfer Out	(2,753,500)	-	-	(2,753,500)
Total Other Financing Sources (Uses)	<u>(2,753,500)</u>	<u>300,000</u>	<u>2,318,500</u>	<u>(135,000)</u>
Net Change in Fund Balances	503,199	416,977	2,173,097	3,093,273
Fund Balances - Beginning of Year	13,422,884	12,759,566	1,002,694	27,185,144
Fund Balances - End of Year	<u>\$ 13,926,083</u>	<u>\$ 13,176,543</u>	<u>\$ 3,175,791</u>	<u>\$ 30,278,417</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2009

Net Change in Fund Balances-Total Governmental Funds \$ 3,093,273

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	\$ 180,907	
Depreciation	<u>(3,912,434)</u>	
Total		(3,731,527)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(11,067)	
Intergovernmental	12,861	
Other	<u>(53,119)</u>	
Total		(51,325)

Repayment of bond principal and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 284,603

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Compensated Absences	(28,616)	
Retirement Incentive	(641,148)	
Accrued Interest	<u>(422)</u>	
Total		(670,186)

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities. 135,000

Change in Net Assets of Governmental Activities \$ (940,162)

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
General Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 13,494,455	\$ 13,494,455	\$ 14,422,561	\$ 928,106
Intergovernmental	11,202,333	11,202,333	12,028,317	825,984
Interest	484,375	484,375	520,090	35,715
Tuition	24,226	24,226	26,012	1,786
Transportation Fees	3,795	3,795	4,075	280
Miscellaneous	319,252	319,252	244,013	(75,239)
Total Revenues	<u>25,528,436</u>	<u>25,528,436</u>	<u>27,245,068</u>	<u>1,716,632</u>
Expenditures				
Current:				
Instruction				
Regular	10,573,461	10,573,461	10,500,405	73,056
Special	1,073,547	1,073,547	1,066,130	7,417
Vocational	110,682	110,682	109,917	765
Other	770,654	770,654	765,328	5,326
Supporting Services				
Pupils	1,097,118	1,097,118	1,089,537	7,581
Instructional Staff	1,562,221	1,562,221	1,551,426	10,795
Board of Education	96,112	96,112	95,449	663
Administration	1,703,622	1,703,622	1,691,850	11,772
Fiscal Services	696,889	696,889	692,074	4,815
Business	116,544	116,544	115,738	806
Operation and Maintenance of Plant Services	4,263,947	4,263,947	4,234,485	29,462
Pupil Transportation	1,257,987	1,257,987	1,249,295	8,692
Central	38,152	38,152	37,888	264
Operation of Non-Instructional Services	354,425	354,425	305,167	49,258
Extracurricular Activities	872,024	872,024	865,999	6,025
Total Expenditures	<u>24,587,385</u>	<u>24,587,385</u>	<u>24,370,688</u>	<u>216,697</u>
Excess of Revenues Over Expenditures	<u>941,051</u>	<u>941,051</u>	<u>2,874,380</u>	<u>1,933,329</u>
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	234,564	234,564	234,564	-
Advances In	12,000	12,000	12,000	-
Transfers Out	(2,753,500)	(2,753,500)	(2,753,500)	-
Total Other Financials Sources (Uses)	<u>(2,506,936)</u>	<u>(2,506,936)</u>	<u>(2,506,936)</u>	<u>-</u>
Net Change in Fund Balance	(1,565,885)	(1,565,885)	367,444	1,933,329
Fund Balance - Beginning of Year	14,665,532	14,665,532	14,665,532	-
Prior Year Encumbrances Appropriated	140,398	140,398	140,398	-
Fund Balance - End of Year	<u>\$ 13,240,045</u>	<u>\$ 13,240,045</u>	<u>\$ 15,173,374</u>	<u>\$ 1,933,329</u>

See accompanying notes to the basic financial statements.

**Statement of Fund Net Assets
Proprietary Fund**

For the Fiscal Year Ended June 30, 2009

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 465,000
Total Assets	<u>465,000</u>
LIABILITIES	
Total Liabilities	<u>-</u>
NET ASSETS	
Unrestricted	465,000
Total Net Assets	<u>\$ 465,000</u>

See accompany notes to the basic financial statements.

Perry Local School District, Lake County

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund**

For the Fiscal Year Ended June 30, 2009

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 2,215,145
Total Operating Revenues	<u>2,215,145</u>
OPERATING EXPENSES	
Claims	<u>2,215,145</u>
Total Operating Expense	<u>2,215,145</u>
Operating Income (Loss)	<u>-</u>
Transfers In	<u>135,000</u>
Change in Net Assets	135,000
Net Assets - Beginning of Year, as Restated	<u>330,000</u>
Net Assets - End of Year	<u><u>\$ 465,000</u></u>

See accompany notes to the basic financial statements.

**Statement of Cash Flows
Proprietary Fund**

For the Fiscal Year Ended June 30, 2009

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 2,215,145
Cash Payments for Claims	(2,215,145)
Net Cash Provided by (Used in) Operating Activities	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers In	<u>135,000</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>135,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	135,000
Cash and Cash Equivalents - Beginning of Year	<u>330,000</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 465,000</u></u>

See accompanying notes to the basic financial statements

**Statement of Fiduciary Net Assets
Fiduciary Funds**

June 30, 2009

	Private Purpose Trust	Agency Fund
	<u> </u>	<u> </u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 6,326	\$ 52,725
Total Assets	<u>6,326</u>	<u>52,725</u>
Liabilities		
Due to Students	-	\$ 52,725
Total Liabilities	<u>-</u>	<u>52,725</u>
Net Assets		
Held in Trust for Scholarships	6,326	
Total Net Assets	<u>\$ 6,326</u>	

See accompanying notes to the basic financial statements

**Statement of Changes in Fiduciary Net Assets
Fiduciary Fund**

For the Fiscal Year Ended June 30, 2009

	Private Purpose Trust
Additions	
Donations	\$ 1,480
Deductions	
Disbursements in Accordance with Trust	1,500
Change in Net Assets	(20)
Net Assets Beginning of Year	6,346
Net Assets End of Year	<u><u>\$6,326</u></u>

See accompanying notes to the basic financial statements.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009**

NOTE 1: DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District operates under a locally elected five-member Board and provides education services as mandated by State or Federal agencies. The Board controls the School District's three instructional facilities, staffed by 104 classified personnel, 128 certified full-time personnel, 15 exempt personnel, and 10 administrative employees to provide services to students and other community members.

Reporting Entity

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

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

Permanent Improvement Fund - the permanent improvement fund is used to account for the receipts and expenditures related to the acquisition, construction or renovation of major capital facilities in the School District.

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

Proprietary Funds

The proprietary funds focus on the determination of operating income/loss, changes in net assets, financial position, and cash flows and are classified as either enterprise or internal service. The School District only has an internal service fund. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for a self-insurance program which provides medical coverage to the School District's employees.

Fiduciary Funds

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus (Continued)

other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. The proprietary funds and the fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the statement of revenues, expenditures, and changes in fund balances as expenditure with a like amount reported as intergovernmental revenue.

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

E. Equity in Pooled Cash and Cash Equivalents

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

During fiscal year 2009, investments were limited to repurchase agreements, U.S. Government Agency notes, U.S. Government Discount notes, bankers acceptance, money market mutual funds, and STAROhio. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements with maturities of one year or less are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2009.

Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$503,996, which includes \$133,715 assigned from other School District funds.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

F. Restricted Assets

Assets are reported as restricted items when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the general fund represent amounts required by the State statute to be utilized for school bus purchases. See Note 24 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

H. Inventory

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

I. Capital Assets

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars (\$5,000). The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

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

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivable/payable”. These amounts are eliminated in the governmental activities column of the statement of net assets. The School District’s policy of internal service activity in the government-wide statement of activities indicates that interfund services provided and used are not eliminated in the process of consolidation except for residual balance of the internal service activity is allocated on a prorate basis to the expense functions participating in the internal service fund and reimbursements of internal payments are treated as a reduction of expenses.

K. Compensated Absences

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

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

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

L. Accrued Liabilities and Long-Term Obligations

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

M. Fund Balance Reserves and Designations

The School District records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves are established for school bus purchases, encumbrances and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

N. Net Assets

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

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

O. Operating Revenues and Expenses

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

P. Interfund Activity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Estimates

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. As of June 30, 2009, there were no extraordinary or special items.

S. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the fund level for all funds. The Treasurer has been given the authority to allocate the Board appropriations to the function and object levels.

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

Tax Budget

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

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Budgetary Data (Continued)

The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2009.

Appropriations

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

Encumbrances

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

Lapsing of Appropriations

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

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2009, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*.

GASB Statement No. 49 addressed accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. The implementation of this Statement did not result in any change to the School District's financial statements.

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)

GASB Statement No. 52 establishes standards for accounting and financial reporting for land and other real estate held as investments by endowments. Endowments include permanent and term endowments, and permanent funds. This Statement does not apply to lands granted by the Federal government in connection with a state being admitted to the United States. It also does not apply to quasi-endowments. The implementation of this Statement did not result in any change to the School District's financial statements.

NOTE 4: RESTATEMENT OF PRIOR YEAR'S NET ASSETS

Net assets of the governmental activities and the internal service fund were restated as follows:

	Governmental Activities	Internal Service Fund
Net Assets, as of June 30, 2008	\$ 79,682,422	\$ 650,096
Restatement:		
Capital Lease - Depreciable Asset	528,738	-
Capital Lease - Accumulated Depreciation	(105,748)	
Capital Lease	(29,415)	-
Elimination of Cash with Fiscal Agent	(625,451)	(625,451)
Elimination of Claims Payable	305,355	305,355
Net Assets, as of June 30, 2008, Restated	\$ 79,755,901	\$ 330,000

The restatement of the governmental activities was a result of a capital lease and related asset (telephone system) not identified in prior years. In addition, the restatement of the governmental activities and the internal service fund was a result of determining that the risk of the self-insurance program was transferred to the Lake County Health Benefits Program and related asset.

NOTE 5: ACCOUNTABILITY

A. Accountability

Fund balances at June 30, 2009, included the following individual fund deficit:

	<u>Deficit</u>
<u>Special Revenue Funds:</u>	
Miscellaneous Federal Grants	\$ 934

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

NOTE 6: BUDGETARY BASIS OF ACCOUNTING

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

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

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

Net Change in Fund Balance	
GAAP Basis	503,199
Net Adjustment for Revenue Accruals	63,033
Net Adjustments for Expenditure Accruals	43,204
Adjustment for Encumbrances	(241,992)
Budget Basis	367,444

NOTE 7: DEPOSITS AND INVESTMENTS

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

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

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

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

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

1. United States Treasury notes, bills, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty (30) days;
4. Bonds or other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or division (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty (180) days in an amount not to exceed twenty-five (25) percent of the interim monies available for investment at any one time; and
9. Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

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

Cash on Hand

At June 30, 2009, the School District had \$900 in undeposited cash on hand, which is included on the balance sheet of the School District as part of “Equity in Pooled Cash and Cash Equivalents”.

Deposits

At June 30, 2009, the carrying amount of the School District’s deposits was \$(152,096), and the bank balance was \$230,703. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the “zero balance” nature of the School District’s bank accounts. \$230,703 of the School District’s bank balance was covered by Federal Depository Insurance and none was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent but not in the School District’s name. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

Investments

The School District has a formal investment policy. The School District follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At June 30, 2009, fair value was \$80,425 above the School District’s net cost for investments. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

	<u>Average Weighted Maturity</u>	<u>Fair Value</u>	<u>Credit Rating*</u>
Federal Home Loan Bank	.77 yr	\$ 13,810,534	AAA
Federal National Mtg. Assoc.	1.59 yrs	2,952,841	AAA
Federal Home Loan Mtg.	1.33 yrs	14,310,341	AAA
Bankers Acceptance	.26 yr	480,076	A-1+
Money Market Mutual Fund -			
First American Treasury Obligation	1 day	78,526	AAA
STAROhio	33 days	278,446	AAA
Repurchase Agreement	1 day	572,612	N/A
		<u>\$ 32,483,376</u>	

* Credit ratings have been obtained from Standard & Poors

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk

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

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2009:

	<u>Percentage of Investments</u>
Federal Home Loan Bank	42.5%
Federal National Mtg. Assoc.	9.1%
Federal Home Loan Mtg.	44.1%
Bankers Acceptance	1.5%
Money Market Mutual Fund -	
First American Treasury Obligation	0.2%
STAROhio	0.9%
Repurchase Agreement	1.7%
	<u>100.0%</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of June 30, 2009, the School District had no exposure to foreign currency risk.

NOTE 8: PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are paid annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2007, were levied after April 1, 2008 and are collected in 2009 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

The School District receives property taxes from Lake County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property, and tangible personal property taxes which are measurable as of June 30, 2009, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2009, was \$338,081 in the general fund.

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

NOTE 8: PROPERTY TAXES (CONTINUED)

The assessed values upon which fiscal year 2009 taxes were collected are:

	2008 Second Half Collections		2009 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 298,812,840	65.65%	\$ 302,457,170	65.81%
Public Utility	152,113,140	33.42%	156,680,560	34.09%
Tangible Personal Property	4,218,120	0.93%	472,480	0.10%
Total Assessed Value	<u>\$ 455,144,100</u>	<u>100.00%</u>	<u>\$ 459,610,210</u>	<u>100.00%</u>
 Tax Rate per \$1,000 of Assessed Valuation	 \$ 44.20		 \$ 44.20	

NOTE 9: RECEIVABLES

Receivables at June 30, 2009, consisted of taxes, accounts, accrued interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. All receivables are expected to be collected within one year. The School District had \$39,395 in intergovernmental receivables.

NOTE 10: LAKE COUNTY SCHOOL FINANCING DISTRICT

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

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

NOTE 11: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Restated Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<u>Governmental Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 1,200,000	-	-	\$ 1,200,000
Total Capital Assets, not being depreciated	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>1,200,000</u>
Capital Assets, being depreciated:				
Land Improvements	11,745,484	-	-	11,745,484
Building and Improvements	95,428,450	-	-	95,428,450
Furniture and Equipment	2,555,085	37,387	-	2,592,472
Vehicles	2,129,556	143,520	(23,045)	2,250,031
Library and text books	919,543	-	-	919,543
Total Capital Assets, being depreciated	<u>112,778,118</u>	<u>180,907</u>	<u>(23,045)</u>	<u>112,935,980</u>
Less Accumulated Depreciation:				
Land Improvements	(8,585,016)	(588,730)	-	(9,173,746)
Building and Improvements	(45,741,337)	(2,995,199)	-	(48,736,536)
Furniture and Equipment	(1,558,579)	(173,647)	-	(1,732,226)
Vehicles	(1,219,674)	(145,531)	23,045	(1,342,160)
Library and text books	(910,216)	(9,327)	-	(919,543)
Total Accumulated Depreciation	<u>(58,014,822)</u>	<u>(3,912,434)</u>	<u>23,045</u>	<u>(61,904,211)</u>
Total Capital Assets being depreciated, Net	<u>54,763,296</u>	<u>(3,731,527)</u>	<u>-</u>	<u>51,031,769</u>
Governmental Activities' Capital Assets, Net	<u>\$ 55,963,296</u>	<u>\$ (3,731,527)</u>	<u>\$ -</u>	<u>\$ 52,231,769</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 3,508,291
Vocational	8,526
Support Services:	
Instructional Staff	9,843
Administration	8,309
Operation and Maintenance of Plant	100,142
Pupil Transportation	131,546
Operation of Non-Instructional Services:	
Food Services	7,850
Extracurricular Activities:	
Student Activities	137,927
Total Depreciation Expense	<u>\$ 3,912,434</u>

NOTE 12: **RISK MANAGEMENT**

A. Property and Liability

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The School District is a member of the Ohio Schools Council Insurance Company property and fleet insurance purchasing group. On behalf of member school districts, the Ohio Schools Council prepares specifications and solicits quotations from insurance companies. The School District fleet was insured with the Ohio School Plan since April, 2008 with a \$1,000,000 liability limit per loss. The Ohio School Plan also carried the property insurance (which includes inland, marine, earthquake and crime), and also covered the boilers and machinery.

Additionally, since school districts are not protected by the doctrine of sovereign immunity, the School District contracted with the Ohio School Plan (through Hylant Administrative Services, Inc.) for coverage with limits of liability of \$2,000,000 per claim and \$2,000,000 aggregate to insure the School District, the Board, all Board members, all administrators, certified and classified employees and volunteers.

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

B. Workers' Compensation

For fiscal year 2009, the School District participated in a Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniComp provides administrative, cost control and actuarial services to the GRP. Each year the School District pays an enrollment fee to the Plan to cover costs of administering the program.

C. Employee Insurance Benefits

The School District provides medical coverage to employees through premium payments to the Lake County Council of Governments Health Care Benefits Program (see Note 20 for further details).

NOTE 13: **PENSION PLANS**

A. State Teachers Retirement System

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

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. Defined Contribution and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the Defined Contribution or Combined Plan.

The Defined Benefit Plan benefits are established under Chapter 3307 of the Ohio Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation.

Under the “formula benefit”, the retirement allowance is based on years of credited service and final average salary, which is the average of the members’ three highest salary years. The annual allowance is calculated by using a base percentage of 2.2 percent multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5 percent with an additional one-tenth of a percent added to the calculation for every year over 31 years until 100 percent of the final average salary is reached. For members with 35 or more years of Ohio contributing services, the first 30 years will be calculated at 2.5 percent.

Under the “money-purchase benefit”, members’ lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. The total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance. Benefits are increased annually by 3 percent of the original base amount.

The Defined Contribution Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. Benefits are established under Sections 3307.80 to 3307.89 of the Ohio Revised Code. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the Defined Contribution Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the members’ designated beneficiary is entitled to receive the members’ account balance.

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

NOTE 13: PENSION PLANS (CONTINUED)

A. State Teachers Retirement System (Continued)

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

For fiscal year ended June 30, 2009, members were required to contribute 10 percent of their annual covered salary and the School District was required to contribute 14 percent. Member and employer contributions were established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers provided by Chapter 3307 of the Ohio Revised Code. Of the 14 percent contributed by the School District, 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$1,250,217, \$1,329,860, and \$1,422,768, respectively; 87.57 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Member and employer contributions actually made for the Defined Contribution and Combined Plan participants will be provided upon written request.

B. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report can be obtained by contacting SERS, 300 E. Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free 1-800-878-5853. It is also posted on SERS' website at www.ohsers.org under *Employer/Audit Resources*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (the Pension Trust Fund, the Death Benefits Fund, the Medicare Part B Fund, and the Health Care Fund) of the System. For fiscal year ending June 30, 2009, the allocation to pension and death benefits is 9.09 percent. The remaining 4.91 percent of the 14.00 percent employer contribution rate is allocated to the Health Care Fund and the Medicare Part B Fund. The School District's required pension contributions to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$361,722, \$376,877 and \$459,515, respectively; 94.53 percent has been contributed for fiscal year 2009 and 100 percent for fiscal year 2008 and 2007.

NOTE 14: POST-EMPLOYMENT BENEFITS

A. State Teachers Retirement System

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

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

Funding Policy - Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care. For the fiscal years ended June 30, 2009, 2008 and 2007 the School District's contributions to post-employment health care were \$96,171, \$102,297 and \$109,981, respectively; 87.57 percent has been contributed for 2009 and 100 percent for fiscal years 2008 and 2007.

B. School Employees Retirement System

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

Fund Policy - The Medicare Part B Plan reimburses premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code Section 3309.69. The reimbursement amount is limited by statute to the lesser of January 1, 1999 Medicare Part B premiums or the current premium. The Medicare Part B premium for calendar year 2009 (most recent information available) was \$96.40. SERS' reimbursement to retirees was \$45.50. The Retirement Board, with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare Part B Fund. For fiscal year 2009, the actuarially required allocation was .75 percent. For the fiscal year ended June 30, 2009, 2008 and 2007 the School District's contributions to Medicare Part B were \$29,845, \$27,155, and \$31,247, respectively; 94.53 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employers' 14 percent contribution to the Health Care Fund. At June 30, 2009, the health care allocation was 4.16 percent.

NOTE 14: **POST-EMPLOYMENT BENEFITS (CONTINUED)**

B. School Employees Retirement System (Continued)

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800.

Active members do not make contributions to the post-employment benefit plans. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility, and retirement status.

For fiscal years ended June 30, 2009, 2008 and 2007, the School District's contributions to the Health Care Plan, including the surcharge, were \$226,689, \$237,789 and \$152,559, respectively; 94.53 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

NOTE 15: **OTHER EMPLOYEE BENEFITS**

A. Compensated Absences

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

B. Retirement Incentive Plan

The School District offered employees participation in a one-time two-year Early Retirement Incentive Plan (the Plan). Participation was open to eligible employees under the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). The Plan allows the School District to pay the cost, as determined by STRS and SERS, of two years of eligible service credit for each eligible employee. To participate in the Plan, each eligible employee had to submit an irrevocable letter of resignation to the School District during the period February 1, 2009 and February 28, 2009, specifying the employee's date of retirement effective between June 8, 2009 and June 12, 2010. Seventeen eligible employees elected to participate in the Plan. As of the fiscal year end 2009, the Plan liability is \$893,075, of which \$211,927 is recorded as short-term liability. Liability will be paid out of the funds in which the respective employees are paid.

NOTE 16: LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2009 were as follows:

	Restated Principal Outstanding June 30, 2008	Additions	Reductions	Principal Outstanding June 30, 2009	Due in One Year
Governmental Activities					
<u>General Obligation Notes</u>					
2006 Energy Conservation Note, \$2,156,818, 3.88%	\$ 1,789,091	\$ -	\$ 194,737	\$ 1,594,354	\$ 202,366
<u>Other Long-term Obligations</u>					
2007 Capital Lease, \$528,738	29,415	-	29,415	-	-
2008 Capital Lease, \$188,400	188,400	-	60,451	127,949	62,770
Retirement Incentive	40,000	681,148	40,000	681,148	212,253
Compensated Absences	2,640,484	503,578	474,962	2,669,100	480,110
Total Other Long-term Obligations	<u>2,898,299</u>	<u>1,184,726</u>	<u>604,828</u>	<u>3,478,197</u>	<u>755,133</u>
Total Governmental Activities	<u>\$ 4,687,390</u>	<u>\$ 1,184,726</u>	<u>\$ 799,565</u>	<u>\$ 5,072,551</u>	<u>\$ 957,499</u>

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

In fiscal year 2007, the School District obtained a capital lease in the amount of \$528,738. This lease was paid in full during fiscal year 2009. The lease was used to finance the purchase of the School District's telephone system. The annual debt service payments were paid out of the permanent improvement capital projects fund.

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

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

Principal and interest requirements to retire general obligation debt outstanding as of June 30, 2009 are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 202,366	\$ 59,917	\$ 262,283
2011	210,294	51,989	262,283
2012	218,532	43,751	262,283
2013	227,094	35,189	262,283
2014	235,990	26,293	262,283
2015-2016	500,078	24,888	524,966
Total	<u>\$ 1,594,354</u>	<u>\$ 242,027</u>	<u>\$ 1,836,381</u>

NOTE 17: CAPITAL LEASE OBLIGATION

During fiscal year 2009, the School District completed its debt service requirements for the existing telephone system capital lease. The School District's remaining lease agreement for 200 computers, in the amount of \$188,400, qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of inception date for the governmental activities in the statement of net assets. Though the computer lease agreement qualifies as a capital lease, each computer individually does not exceed the School District's capitalization threshold and will not be capitalized on the government-wide statements.

The telephone system asset acquired through a capital lease is as follows:

Asset	Governmental Activities
Furniture and Equipment	\$ 528,738
Less: Accumulated Depreciation	(158,621)
Total	\$ 370,117

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

Fiscal Year Ending June 30,	Governmental Activities
2010	\$ 67,042
2011	67,042
Total	134,084
Less: Amount representing interest	(6,135)
Present value of minimum lease payments	\$ 127,949

NOTE 18: JOINTLY GOVERNED ORGANIZATIONS

A. Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among one hundred twenty-one school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board meets monthly September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly, and carrying out such other responsibilities as designated by the Board. In fiscal year 2009, the School District paid \$1,586 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

NOTE 18: JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

A. Ohio Schools' Council Association (Continued)

The School District participates in the Council's prepaid natural gas program. The Council provides participating school districts the ability to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. There are currently 137 districts in the Program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 MR/DD boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) the ability to purchase electricity at reduced rates if the school district committed to participating in either a thirty-six month (Cleveland Electric Illuminating Company) or a forty-four month (Ohio Edison and Toledo Edison) program beginning either May 1, 2005 or January 1, 2006 and ending December 31, 2009. Each month, the Council invoices participants based on estimated usage that was determined when the program was established. Each September, these estimated payments are compared to their actual usage for the year (July to June). Refund checks are issued to districts that consumed less than their projected usage of electrical energy and districts that over-consumed are invoiced.

B. Lake Geauga Computer Association

The Lake Geauga Computer Association (the LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS, and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$36,052 to LGCA during fiscal year 2009. The Executive Committee (Governing Board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. LGCA's continued existence is not dependent on the School District's continued participation. LGCA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. Financial information can be obtained by contacting the Treasurer at the Geauga County Educational Service Center, who serves as the fiscal agent, at 470 Center Street, Chardon, Ohio 44024.

C. Auburn Career Center

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

NOTE 19: INSURANCE PURCHASING POOL

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 20: CLAIMS SERVICING POOL

The School District participates in the Lake County Council of Governments Health Care Benefits (HCBP) Self Insurance Program, a claims servicing pool comprised of nine Lake County school districts organized under Chapter 167 of the Ohio Revised Code. Each school district has a representative on the assembly (usually the superintendent or a designee). Each member pays an administrative fee to the pool. The plan's business and affairs are conducted by a five-member Board of Directors elected by the HCBP's assembly. The assembly elects officers for one-year terms to serve on the Board of Directors. The School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all members. The Council is a separate and independent entity governed by its own set of bylaws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than the monthly premiums) or risk to the School District. The Council shall pay the run out of all claims for a withdrawing member. Any member which withdraws from the Council pursuant to the program agreement shall have no claim to the Council's assets.

NOTE 21: CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2009.

B. Litigation

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

NOTE 22: STATE SCHOOL FUNDING DECISION

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

NOTE 23: INTERFUND RECEIVABLES, PAYABLES, TRANSFERS

The composition of interfund balances as of June 30, 2009, is as follows:

A. Interfund Receivables/Payables

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental Funds	\$ 3,157

On the fund financial statements, the general fund reported an interfund receivable and the nonmajor governmental funds reported interfund payable of \$3,157. The general fund provided loans to the nonmajor governmental funds in the amount of \$3,157. These loans from the general fund were made to eliminate the negative cash balances in the Title V – innovative education programs fund and the miscellaneous federal grants fund. The general fund provided temporary funding for the nonmajor governmental funds until funds are received from the grantor. These loans will be repaid within one year.

B. Interfund Transfers

Transfers Out	Transfers In			Total
	Permanent Improvement Fund	Nonmajor Governmental Funds	Internal Service Fund	
General Fund	\$ 300,000	\$ 2,318,500	\$ 135,000	\$ 2,753,500

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

NOTE 24: SET-ASIDE REQUIREMENTS

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

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

	<u>Textbooks & Instructional Materials Reserve</u>	<u>Capital Improvements Reserve</u>
Set-Aside Reserve Balance, as of June 30, 2008	\$ (6,701,640)	\$ -
Current Year Set-Aside Requirements	305,435	305,435
Qualifying Disbursements	<u>(356,666)</u>	<u>(472,102)</u>
Total	<u>\$ (6,752,871)</u>	<u>\$ (166,667)</u>
Set-Aside Balance, as of June 30, 2009, and carried forward to future fiscal years	<u>\$ (6,752,871)</u>	<u>\$ -</u>

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

In addition to the above statutory reserves, the School District also received monies restricted for school bus purchases. As of June 30, 2009, the amount restricted for school bus purchases presented in the governmental funds was \$58,165.

**COMBINING STATEMENTS OF
INDIVIDUAL FUND SCHEDULES**

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Ohio Reads Grant - This fund was established to provide funds to improve reading outcomes, especially on the fourth grade reading proficiency test, and for volunteer coordinators in public school buildings, for education service centers for costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

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

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

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

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

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

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

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

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

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

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

Nonmajor Capital Projects Fund

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

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

Fiduciary Funds

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

Private Purpose Trust Fund

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

Agency Fund

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

Perry Local School District, Lake County

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 3,192,551	\$ 139	\$ 3,192,690
Materials and Supplies Inventory	11,084	-	11,084
Accounts Receivable	48,815	-	48,815
Intergovernmental Receivable	39,395	-	39,395
Total Assets	<u><u>\$ 3,291,845</u></u>	<u><u>\$ 139</u></u>	<u><u>\$ 3,291,984</u></u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 18,253	\$ -	\$ 18,253
Accrued Wages and Benefits	42,517	-	42,517
Intergovernmental Payable	9,104	-	9,104
Retirement Incentive Payable	21,423	-	21,423
Interfund Payable	3,157	-	3,157
Deferred Revenue	21,739	-	21,739
Total Liabilities	<u>116,193</u>	<u>-</u>	<u>116,193</u>
 Fund Balances:			
Reserved for:			
Encumbrances	17,165	-	17,165
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds	3,158,487	-	3,158,487
Capital Projects Funds		139	139
Total Fund Balance	<u>3,175,652</u>	<u>139</u>	<u>3,175,791</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,291,845</u></u>	<u><u>\$ 139</u></u>	<u><u>\$ 3,291,984</u></u>

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 751,432	\$ -	\$ 751,432
Extracurricular Activities	267,742	-	267,742
Charges for Services	112,134	-	112,134
Classroom Materials and Fees	13,951	-	13,951
Food Services	571,348	-	571,348
Miscellaneous	81,470	-	81,470
Total Revenues	<u>1,798,077</u>	<u>-</u>	<u>1,798,077</u>
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction	111,386	-	111,386
Special Instruction	291,878	-	291,878
Supporting Services:			
Pupils	21,721	-	21,721
Instructional Staff	94,173	12,218	106,391
Pupil Transportation	9,440	-	9,440
Operation of Non-Instructional Services:			
Food Service Operations	938,928	-	938,928
Community Services	101,654	-	101,654
Enterprise Operations	1,822	-	1,822
Extracurricular Activities	360,260	-	360,260
Total Expenditures	<u>1,931,262</u>	<u>12,218</u>	<u>1,943,480</u>
Excess of Revenues (Under) Expenditures	<u>(133,185)</u>	<u>(12,218)</u>	<u>(145,403)</u>
OTHER FINANCING SOURCES			
Transfer In	2,318,500	-	2,318,500
Total Other Financing Sources	<u>2,318,500</u>	<u>-</u>	<u>2,318,500</u>
Net Change in Fund Balances	2,185,315	(12,218)	2,173,097
Fund Balances - Beginning of Year	990,337	12,357	1,002,694
Fund Balances - End of Year	<u>\$ 3,175,652</u>	<u>\$ 139</u>	<u>\$ 3,175,791</u>

Perry Local School District, Lake County

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009**

	Food Service	Uniform School Supplies	Special Rotary	Public School Support	Other Grants
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 25,032	\$ 16,503	\$ 32,777	\$ 63,128	\$ 1,394
Materials and Supplies Inventory	11,084	-	-	-	-
Accounts Receivable	24,815	-	-	-	-
Intergovernmental Receivable	23,991	-	-	-	-
Total Assets	\$ 84,922	\$ 16,503	\$ 32,777	\$ 63,128	\$ 1,394
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	42,517	-	-	-	-
Intergovernmental Payable	9,104	-	-	-	-
Retirement Incentive Payable	21,423	-	-	-	-
Interfund Payable	-	-	-	-	-
Deferred Revenue	8,878	-	-	-	-
Total Liabilities	81,922	-	-	-	-
Fund Balances:					
Reserved for:					
Encumbrances	6,095	-	-	1,345	-
Unreserved:					
Undesignated (Deficit), Reported in:					
Special Revenue Funds	(3,095)	16,503	32,777	61,783	1,394
Total Fund Balance	3,000	16,503	32,777	63,128	1,394
Total Liabilities and Fund Balance	\$ 84,922	\$ 16,503	\$ 32,777	\$ 63,128	\$ 1,394

(Continued)

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009**

	Special Enterprise	Termination Benefits	District Managed Student Activity	Management Information Systems
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 930,274	\$ 1,961,171	\$ 109,691	\$ 2,319
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	24,000	-	-	-
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ 954,274	\$ 1,961,171	\$ 109,691	\$ 2,319
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 12,681	\$ -	\$ 5,572	\$ -
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	-	-	-	-
Retirement Incentive Payable	-	-	-	-
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	12,681	-	5,572	-
 Fund Balances:				
Reserved for:				
Encumbrances	473	-	4,717	-
Unreserved:				
Undesignated (Deficit), Reported in:				
Special Revenue Funds	941,120	1,961,171	99,402	2,319
Total Fund Balance	941,593	1,961,171	104,119	2,319
Total Liabilities and Fund Balance	\$ 954,274	\$ 1,961,171	\$ 109,691	\$ 2,319

(Continued)

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009**

	Entry Year Teachers	Data Communication	School Net Professional Development	Summer School Intervention
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 4,800	\$ 148	\$ 4,371	\$ 15,493
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	-	-	-
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ 4,800	\$ 148	\$ 4,371	\$ 15,493
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	-	-	-	-
Retirement Incentive Payable	-	-	-	-
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	-	-	-	-
 Fund Balances:				
Reserved for:				
Encumbrances	-	-	-	-
Unreserved:				
Undesignated (Deficit), Reported in:				
Special Revenue Funds	4,800	148	4,371	15,493
Total Fund Balance	4,800	148	4,371	15,493
Total Liabilities and Fund Balance	\$ 4,800	\$ 148	\$ 4,371	\$ 15,493

(Continued)

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009**

	<u>Miscellaneous State Grants</u>	<u>IDEA, Part B Special Education, Education of Handicapped Children</u>	<u>Title III - Limited English Proficiency</u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 5,223	\$ 7,773	\$ 792
Materials and Supplies Inventory	-	-	-
Accounts Receivable	-	-	-
Intergovernmental Receivable	-	-	-
Total Assets	<u>\$ 5,223</u>	<u>\$ 7,773</u>	<u>\$ 792</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-
Intergovernmental Payable	-	-	-
Retirement Incentive Payable	-	-	-
Interfund Payable	-	-	-
Deferred Revenue	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances:			
Reserved for:			
Encumbrances	3,350	-	-
Unreserved:			
Undesignated (Deficit), Reported in:			
Special Revenue Funds	1,873	7,773	792
Total Fund Balance	<u>5,223</u>	<u>7,773</u>	<u>792</u>
Total Liabilities and Fund Balance	<u>\$ 5,223</u>	<u>\$ 7,773</u>	<u>\$ 792</u>

(Continued)

Perry Local School District, Lake County

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009**

	Title I, Disadvantaged Children/ Targeted Assistance	Title V - Innovative Education Programs	Drug- Free Schools Grant	IDEA Preschool Grant for the Handicapped
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 30	\$ -	\$ 2,654	\$ 1,050
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	-	-	-
Intergovernmental Receivable	-	2,543	-	-
Total Assets	\$ 30	\$ 2,543	\$ 2,654	\$ 1,050
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	-	-	-	-
Retirement Incentive Payable	-	-	-	-
Interfund Payable	-	2,223	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	-	2,223	-	-
 Fund Balances:				
Reserved for:				
Encumbrances	-	-	-	-
Unreserved:				
Undesignated (Deficit), Reported in:				
Special Revenue Funds	30	320	2,654	1,050
Total Fund Balance	30	320	2,654	1,050
Total Liabilities and Fund Balance	\$ 30	\$ 2,543	\$ 2,654	\$ 1,050

(Continued)

Perry Local School District, Lake County

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009**

	Improving Teacher Quality	Miscellaneous Federal Grants	Nonmajor Special Revenue Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 7,928	\$ -	\$ 3,192,551
Materials and Supplies Inventory	-	-	11,084
Accounts Receivable	-	-	48,815
Intergovernmental Receivable	11,695	1,166	39,395
Total Assets	\$ 19,623	\$ 1,166	\$ 3,291,845
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 18,253
Accrued Wages and Benefits	-	-	42,517
Intergovernmental Payable	-	-	9,104
Retirement Incentive Payable	-	-	21,423
Interfund Payable	-	934	3,157
Deferred Revenue	11,695	1,166	21,739
Total Liabilities	11,695	2,100	116,193
 Fund Balances:			
Reserved for:			
Encumbrances	1,185	-	17,165
Unreserved:			
Undesignated (Deficit), Reported in:			
Special Revenue Funds	6,743	(934)	3,158,487
Total Fund Balance	7,928	(934)	3,175,652
Total Liabilities and Fund Balance	\$ 19,623	\$ 1,166	\$ 3,291,845

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	Food Service	Uniform School Supplies	Special Rotary	Public School Support
REVENUES				
Intergovernmental	\$ 242,139	\$ -	\$ -	\$ -
Extracurricular Activities	-	4,085	69,566	17,360
Charges for Services	-	-	-	-
Classroom Materials and Fees	-	1,864	-	12,087
Food Services	571,348	-	-	-
Miscellaneous	670	-	641	9,536
Total Revenues	814,157	5,949	70,207	38,983
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	-	5,849	-	-
Special Instruction	-	-	-	-
Supporting Services:				
Pupils	-	-	11,565	-
Instructional Staff	-	-	-	-
Pupil Transportation	-	-	-	-
Operation of Non-Instructional Services:				
Food Service Operations	938,863	-	65	-
Community Services	-	-	-	-
Enterprise Operations	-	-	-	-
Extracurricular Activities	-	-	56,032	38,930
Total Expenditures	938,863	5,849	67,662	38,930
Excess of Revenues Over (Under) Expenditures	(124,706)	100	2,545	53
OTHER FINANCING SOURCES				
Transfer In	151,000	-	-	-
Total Other Financing Sources	151,000	-	-	-
Net Change in Fund Balances	26,294	100	2,545	53
Fund Balances - Beginning of Year	(23,294)	16,403	30,232	63,075
Fund Balances - End of Year	\$ 3,000	\$ 16,503	\$ 32,777	\$ 63,128

(Continued)

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2009**

	Other Grants	Special Enterprise	Termination Benefits	District Managed Student Activity
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Extracurricular Activities	-	-	-	176,731
Charges for Services	-	112,134	-	-
Classroom Materials and Fees	-	-	-	-
Food Services	-	-	-	-
Miscellaneous	-	21,393	-	49,230
Total Revenues	-	133,527	-	225,961
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	-	-	-	-
Special Instruction	-	-	-	-
Supporting Services:				
Pupils	-	-	-	-
Instructional Staff	-	-	-	-
Pupil Transportation	-	-	-	-
Operation of Non-Instructional Services:				
Food Service Operations	-	-	-	-
Community Services	-	101,654	-	-
Enterprise Operations	-	1,822	-	-
Extracurricular Activities	-	-	-	265,298
Total Expenditures	-	103,476	-	265,298
Excess of Revenues Over (Under) Expenditures	-	30,051	-	(39,337)
OTHER FINANCING SOURCES				
Transfer In	-	880,000	1,182,500	105,000
Total Other Financing Sources	-	880,000	1,182,500	105,000
Net Change in Fund Balances	-	910,051	1,182,500	65,663
Fund Balances - Beginning of Year	1,394	31,542	778,671	38,456
Fund Balances - End of Year	\$ 1,394	\$ 941,593	\$ 1,961,171	\$ 104,119

(Continued)

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2009**

	Management Information Systems	Entry Year Teachers	Data Commun- ication	School Net Professional Development
REVENUES				
Intergovernmental	\$ 5,576	\$ 4,800	\$ 9,000	\$ 2,970
Extracurricular Activities	-	-	-	-
Charges for Services	-	-	-	-
Classroom Materials and Fees	-	-	-	-
Food Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>5,576</u>	<u>4,800</u>	<u>9,000</u>	<u>2,970</u>
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	-	5,850	-	-
Special Instruction	-	-	-	-
Supporting Services:				
Pupils	-	-	-	-
Instructional Staff	10,101	-	18,000	5,940
Pupil Transportation	-	-	-	-
Operation of Non-Instructional Services:				
Food Service Operations	-	-	-	-
Community Services	-	-	-	-
Enterprise Operations	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	<u>10,101</u>	<u>5,850</u>	<u>18,000</u>	<u>5,940</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,525)</u>	<u>(1,050)</u>	<u>(9,000)</u>	<u>(2,970)</u>
OTHER FINANCING SOURCES				
Transfer In	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,525)	(1,050)	(9,000)	(2,970)
Fund Balances - Beginning of Year	6,844	5,850	9,148	7,341
Fund Balances - End of Year	<u>\$ 2,319</u>	<u>\$ 4,800</u>	<u>\$ 148</u>	<u>\$ 4,371</u>

(Continued)

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2009**

	<u>Summer School Intervention</u>	<u>Miscellaneous State Grants</u>	<u>IDEA, Part B Special Education, Education of Handicapped Children</u>
REVENUES			
Intergovernmental	\$ -	\$ 15,061	\$ 313,273
Extracurricular Activities	-	-	-
Charges for Services	-	-	-
Classroom Materials and Fees	-	-	-
Food Services	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>15,061</u>	<u>313,273</u>
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction	-	1,974	-
Special Instruction	-	-	291,878
Supporting Services:			
Pupils	-	10,156	-
Instructional Staff	-	15,998	-
Pupil Transportation	-	9,440	-
Operation of Non-Instructional Services:			
Food Service Operations	-	-	-
Community Services	-	-	-
Enterprise Operations	-	-	-
Extracurricular Activities	-	-	-
Total Expenditures	<u>-</u>	<u>37,568</u>	<u>291,878</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(22,507)</u>	<u>21,395</u>
OTHER FINANCING SOURCES			
Transfer In	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(22,507)	21,395
Fund Balances - Beginning of Year	15,493	27,730	(13,622)
Fund Balances - End of Year	<u>\$ 15,493</u>	<u>\$ 5,223</u>	<u>\$ 7,773</u>

(Continued)

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2009**

	Title III - Limited English Proficiency	Title I, Disadvantaged Children/ Targeted Assistance	Title V - Innovative Education Programs	Drug- Free Schools Grant
REVENUES				
Intergovernmental	\$ -	\$ 106,113	\$ 2,814	\$ 3,483
Extracurricular Activities	-	-	-	-
Charges for Services	-	-	-	-
Classroom Materials and Fees	-	-	-	-
Food Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>106,113</u>	<u>2,814</u>	<u>3,483</u>
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	-	96,649	-	-
Special Instruction	-	-	-	-
Supporting Services:				
Pupils	-	-	-	-
Instructional Staff	-	-	2,506	3,483
Pupil Transportation	-	-	-	-
Operation of Non-Instructional Services:				
Food Service Operations	-	-	-	-
Community Services	-	-	-	-
Enterprise Operations	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	<u>-</u>	<u>96,649</u>	<u>2,506</u>	<u>3,483</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>9,464</u>	<u>308</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfer In	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	9,464	308	-
Fund Balances - Beginning of Year	<u>792</u>	<u>(9,434)</u>	<u>12</u>	<u>2,654</u>
Fund Balances - End of Year	<u>\$ 792</u>	<u>\$ 30</u>	<u>\$ 320</u>	<u>\$ 2,654</u>

(Continued)

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2009**

	IDEA Preschool Grant for the Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants	Nonmajor Special Revenue Funds
REVENUES				
Intergovernmental	\$ 10,436	\$ 35,637	\$ 130	\$ 751,432
Extracurricular Activities	-	-	-	267,742
Charges for Services	-	-	-	112,134
Classroom Materials and Fees	-	-	-	13,951
Food Services	-	-	-	571,348
Miscellaneous	-	-	-	81,470
Total Revenues	<u>10,436</u>	<u>35,637</u>	<u>130</u>	<u>1,798,077</u>
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	-	-	1,064	111,386
Special Instruction	-	-	-	291,878
Supporting Services:				
Pupils	-	-	-	21,721
Instructional Staff	10,436	27,709	-	94,173
Pupil Transportation	-	-	-	9,440
Operation of Non-Instructional Services:				
Food Service Operations	-	-	-	938,928
Community Services	-	-	-	101,654
Enterprise Operations	-	-	-	1,822
Extracurricular Activities	-	-	-	360,260
Total Expenditures	<u>10,436</u>	<u>27,709</u>	<u>1,064</u>	<u>1,931,262</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>7,928</u>	<u>(934)</u>	<u>(133,185)</u>
OTHER FINANCING SOURCES				
Transfer In	-	-	-	2,318,500
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,318,500</u>
Net Change in Fund Balances	-	7,928	(934)	2,185,315
Fund Balances - Beginning of Year	1,050	-	-	990,337
Fund Balances - End of Year	<u>\$ 1,050</u>	<u>\$ 7,928</u>	<u>\$ (934)</u>	<u>\$ 3,175,652</u>

**Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2009**

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 62,002	\$ 54,351	\$ (63,628)	\$ 52,725
Accounts Receivable	3,269		(3,269)	-
Total Assets	<u>\$ 65,271</u>	<u>\$ 54,351</u>	<u>\$ (66,897)</u>	<u>\$ 52,725</u>
Liabilities				
Due to Students	65,271	54,351	(66,897)	52,725
Total Liabilities	<u>\$ 65,271</u>	<u>\$ 54,351</u>	<u>\$ (66,897)</u>	<u>\$ 52,725</u>

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

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
General Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 13,494,455	\$ 13,494,455	\$ 14,422,561	\$ 928,106
Intergovernmental	11,202,333	11,202,333	12,028,317	825,984
Interest	484,375	484,375	520,090	35,715
Tuition	24,226	24,226	26,012	1,786
Transportation Fees	3,795	3,795	4,075	280
Miscellaneous	319,252	319,252	244,013	(75,239)
Total Revenues	25,528,436	25,528,436	27,245,068	1,716,632
Expenditures				
Current:				
Instruction				
Regular				
Personal Services	7,068,542	7,068,542	7,019,704	48,838
Fringe Benefits	2,767,584	2,767,584	2,748,461	19,123
Purchased Services	461,236	461,236	458,049	3,187
Supplies and Materials	226,964	226,964	225,396	1,568
Capital Outlay	47,110	47,110	46,784	326
Other Objects	2,025	2,025	2,011	14
Total Regular	10,573,461	10,573,461	10,500,405	73,056
Special				
Personal Services	309,025	309,025	306,890	2,135
Fringe Benefits	149,087	149,087	148,057	1,030
Purchased Services	606,407	606,407	602,217	4,190
Supplies and Materials	1,613	1,613	1,602	11
Capital Outlay	7,415	7,415	7,364	51
Total Special	1,073,547	1,073,547	1,066,130	7,417
Vocational				
Personal Services	74,812	74,812	74,295	517
Fringe Benefits	35,870	35,870	35,622	248
Total Vocational	110,682	110,682	109,917	765
Other				
Personal Services	436,258	436,258	433,243	3,015
Fringe Benefits	319,527	319,527	317,319	2,208
Purchased Services	14,869	14,869	14,766	103
Total Other	770,654	770,654	765,328	5,326
Total Instruction	12,528,344	12,528,344	12,441,780	86,564

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
General Fund (continued)
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Supporting Services				
Pupils				
Personal Services	671,944	671,944	667,301	4,643
Fringe Benefits	267,190	267,190	265,344	1,846
Purchased Services	136,279	136,279	135,337	942
Supplies and Materials	21,705	21,705	21,555	150
Total Pupils	<u>1,097,118</u>	<u>1,097,118</u>	<u>1,089,537</u>	<u>7,581</u>
Instructional Staff				
Personal Services	731,279	731,279	726,226	5,053
Fringe Benefits	337,403	337,403	335,072	2,331
Purchased Services	258,613	258,613	256,826	1,787
Supplies and Materials	132,221	132,221	131,307	914
Capital Outlay	91,826	91,826	91,192	634
Capital Outlay - Replacement	9,213	9,213	9,149	64
Other Objects	1,666	1,666	1,654	12
Total Instructional Staff	<u>1,562,221</u>	<u>1,562,221</u>	<u>1,551,426</u>	<u>10,795</u>
Board of Education				
Personal Services	12,390	12,390	12,304	86
Purchased Services	20,013	20,013	19,875	138
Supplies and Materials	194	194	193	1
Other Objects	63,515	63,515	63,077	438
Total Board of Education	<u>96,112</u>	<u>96,112</u>	<u>95,449</u>	<u>663</u>
Administration				
Personal Services	1,082,405	1,082,405	1,074,926	7,479
Fringe Benefits	442,967	442,967	439,906	3,061
Purchased Services	124,526	124,526	123,666	860
Supplies and Materials	36,981	36,981	36,725	256
Capital Outlay	3,871	3,871	3,844	27
Other Objects	12,872	12,872	12,783	89
Total Administration	<u>1,703,622</u>	<u>1,703,622</u>	<u>1,691,850</u>	<u>11,772</u>
Fiscal Services				
Personal Services	309,760	309,760	307,620	2,140
Fringe Benefits	118,884	118,884	118,063	821
Purchased Services	46,904	46,904	46,580	324
Supplies and Materials	2,403	2,403	2,386	17
Other Objects	218,938	218,938	217,425	1,513
Total Fiscal Services	<u>696,889</u>	<u>696,889</u>	<u>692,074</u>	<u>4,815</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
General Fund (continued)
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Business				
Purchased Services	80,618	80,618	80,060	558
Supplies and Materials	35,926	35,926	35,678	248
Total Business	116,544	116,544	115,738	806
Operation and Maintenance of Plant Services				
Personal Services	1,244,342	1,244,342	1,235,744	8,598
Fringe Benefits	538,637	538,637	534,915	3,722
Purchased Services	2,124,525	2,124,525	2,109,845	14,680
Supplies and Materials	331,161	331,161	328,873	2,288
Capital Outlay	22,178	22,178	22,025	153
Other Objects	3,104	3,104	3,083	21
Total Operation and Maintenance of Plant Services	4,263,947	4,263,947	4,234,485	29,462
Pupil Transportation				
Personal Services	664,091	664,091	659,502	4,589
Fringe Benefits	363,855	363,855	361,341	2,514
Purchased Services	31,511	31,511	31,293	218
Supplies and Materials	124,914	124,914	124,051	863
Capital Outlay	73,421	73,421	72,914	507
Other Objects	195	195	194	1
Total Pupil Transportation	1,257,987	1,257,987	1,249,295	8,692
Central				
Purchased Services	35,149	35,149	34,906	243
Supplies and Materials	252	252	250	2
Capital Outlay	2,686	2,686	2,667	19
Other Objects	65	65	65	-
Total Central	38,152	38,152	37,888	264
Total Supporting Services	10,832,592	10,832,592	10,757,742	74,850
Operation of Non-Instructional Services				
Community Services				
Purchased Services	108,818	108,818	108,066	752
Supplies and Materials	607	607	603	4
Total Community Services	109,425	109,425	108,669	756
Enterprise Operations				
Other Objects	245,000	245,000	196,498	48,502
Total Operation of Non-Instructional Services	354,425	354,425	305,167	49,258

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
General Fund (continued)
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities				
Academic Oriented Activities				
Personal Services	80,610	80,610	80,053	557
Fringe Benefits	21,066	21,066	20,920	146
Other Objects	360	360	358	2
Total Academic Oriented Activities	102,036	102,036	101,331	705
Sport Oriented Activities				
Personal Services	552,821	552,821	549,001	3,820
Fringe Benefits	168,542	168,542	167,377	1,165
Purchased Services	1,813	1,813	1,800	13
Total Sport Oriented Activities	723,176	723,176	718,178	4,998
School & Public Service Co-Curricular Activities				
Personal Services	25,137	25,137	24,964	173
Fringe Benefits	6,571	6,571	6,526	45
Purchased Services	15,104	15,104	15,000	104
Total School and Public Service Co-Curricular Activities	46,812	46,812	46,490	322
Total Extracurricular Activities	872,024	872,024	865,999	6,025
Total Expenditures	24,587,385	24,587,385	24,370,688	216,697
Excess of Revenues Over Expenditures	941,051	941,051	2,874,380	1,933,329
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	234,564	234,564	234,564	-
Advances In	12,000	12,000	12,000	-
Transfers Out	(2,753,500)	(2,753,500)	(2,753,500)	-
Total Other Financing Sources (Uses)	(2,506,936)	(2,506,936)	(2,506,936)	-
Net Change in Fund Balance	(1,565,885)	(1,565,885)	367,444	1,933,329
Fund Balance - Beginning of Year	14,665,532	14,665,532	14,665,532	-
Prior Year Encumbrances Appropriated	140,398	140,398	140,398	-
Fund Balance - End of Year	<u>\$ 13,240,045</u>	<u>\$ 13,240,045</u>	<u>\$ 15,173,374</u>	<u>\$ 1,933,329</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Interest	\$ -	\$ 330,765	\$ 330,765
Miscellaneous	-	232,558	232,558
Total Revenues	<u>-</u>	<u>563,323</u>	<u>563,323</u>
Expenditures			
Current:			
Capital Outlay:			
Purchased Services	492,798	360,121	132,677
Capital Outlay	76,576	55,959	20,617
Capital Outlay - Replacement	264,437	193,242	71,195
Total Capital Outlay	<u>833,811</u>	<u>609,322</u>	<u>224,489</u>
Debt Service:			
Principal	194,737	194,737	-
Interest & Fiscal Charges	67,546	67,546	-
Total Debt Service	<u>262,283</u>	<u>262,283</u>	<u>-</u>
Total Expenditures	<u>1,096,094</u>	<u>871,605</u>	<u>224,489</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,096,094)</u>	<u>(308,282)</u>	<u>787,812</u>
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(3,906)	(3,906)	-
Transfers In	-	300,000	300,000
Total Other Financings Sources (Uses)	<u>(3,906)</u>	<u>296,094</u>	<u>300,000</u>
Net Change in Fund Balance	(1,100,000)	(12,188)	1,087,812
Fund Balance - Beginning of Year	12,582,253	12,582,253	-
Prior Year Encumbrances Appropriated	505,410	505,410	-
Fund Balance - End of Year	<u>\$ 11,987,663</u>	<u>\$ 13,075,475</u>	<u>\$ 1,087,812</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Food Services Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Revenues				
Intergovernmental	\$ 175,874		\$ 149,457	\$ (26,417)
Food Services	672,338		571,348	(100,990)
Miscellaneous	788		670	(118)
Total Revenues	849,000		721,475	(127,525)
Expenditures				
Current:				
Operation of Non-Instructional Services				
Food Service Operations				
Personal Services	268,003		241,582	26,421
Fringe Benefits	185,747		167,435	18,312
Supplies and Materials	520,571		469,250	51,321
Other Objects	679		612	67
Total Expenditures	975,000		878,879	96,121
Excess of Revenues Over (Under) Expenditures	(126,000)		(157,404)	(31,404)
Other Financing Sources				
Transfers In	151,000		151,000	-
Total Other Financing Sources	151,000		151,000	-
Net Change in Fund Balance	25,000		(6,404)	(31,404)
Fund Balance - Beginning of Year	24,641		24,641	-
Prior Year Encumbrances Appropriated	700		700	-
Fund Balance - End of Year	\$ 50,341		\$ 18,937	\$ (31,404)

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Revenues				
Extracurricular Activities	\$ 1,700		\$ 4,085	\$ 2,385
Classroom Materials and Fees	-		1,864	1,864
Total Revenues	1,700		5,949	4,249
Expenditures				
Current:				
Instruction				
Regular				
Supplies and Materials	17,700		5,849	11,851
Total Expenditures	17,700		5,849	11,851
Net Change in Fund Balance	(16,000)		100	16,100
Fund Balance - Beginning of Year	16,403		16,403	-
Fund Balance - End of Year	\$ 403		\$ 16,503	\$ 16,100

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Special Rotary Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Extracurricular Activities	\$ 57,299	\$ 69,626	\$ 12,327
Miscellaneous	641	641	-
Total Revenues	<u>57,940</u>	<u>70,267</u>	<u>12,327</u>
Expenditures			
Current:			
Supporting Services			
Pupils			
Purchased Services	13,679	11,565	2,114
Operation of Non-Instructional Services			
Food Service Operations			
Other Objects	77	65	12
Extracurricular Activities			
School & Public Service Co-Curricular Activities			
Purchased Services	32,446	27,432	5,014
Supplies and Materials	1,471	1,244	227
Other Objects	32,427	27,416	5,011
Total Extracurricular Activities	<u>66,344</u>	<u>56,092</u>	<u>10,252</u>
Total Expenditures	<u>80,100</u>	<u>67,722</u>	<u>12,378</u>
Excess of Revenues Over (Under) Expenditures	<u>(22,160)</u>	<u>2,545</u>	<u>24,705</u>
Other Financing Sources			
Refund of Prior Year Expenditures	60	60	-
Total Other Financings Sources	<u>60</u>	<u>60</u>	<u>-</u>
Net Change in Fund Balance	(22,100)	2,605	24,705
Fund Balance - Beginning of Year	30,172	30,172	-
Fund Balance - End of Year	<u>\$ 8,072</u>	<u>\$ 32,777</u>	<u>\$ 24,705</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Public School Support Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Extracurricular Activities	\$ 37,967	\$ 17,435	\$ (20,532)
Classroom Materials and Fees	26,382	12,087	(14,295)
Miscellaneous	20,651	9,461	(11,190)
Total Revenues	<u>85,000</u>	<u>38,983</u>	<u>(46,017)</u>
Expenditures			
Current:			
Extracurricular Activities			
School & Public Service Co-Curricular Activities			
Purchased Services	2,133	678	1,455
Supplies and Materials	97,689	31,760	65,929
Capital Outlay	11,318	4,227	7,091
Other Objects	11,360	3,610	7,750
Total Expenditures	<u>122,500</u>	<u>40,275</u>	<u>82,225</u>
Net Change in Fund Balance	(37,500)	(1,292)	36,208
Fund Balance - Beginning of Year	62,521	62,521	-
Prior Year Encumbrances Appropriated	555	555	-
Fund Balance - End of Year	<u>\$ 25,576</u>	<u>\$ 61,784</u>	<u>\$ 36,208</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Other Grants Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Miscellaneous	\$ 1,800	\$ -	\$ (1,800)
Total Revenues	<u>1,800</u>	<u>-</u>	<u>(1,800)</u>
Expenditures			
Current:			
Instruction			
Regular			
Supplies and Materials	3,000	-	3,000
Total Expenditures	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Net Change in Fund Balance	(1,200)	-	1,200
Fund Balance - Beginning of Year	1,394	1,394	-
Fund Balance - End of Year	<u>\$ 194</u>	<u>\$ 1,394</u>	<u>\$ 1,200</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Special Enterprise Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Charges for Services	\$ 88,134	\$ 88,134	\$ -
Miscellaneous	11,866	22,234	10,368
Total Revenues	<u>100,000</u>	<u>110,368</u>	<u>10,368</u>
Expenditures			
Current:			
Operation of Non-Instructional Services			
Community Services			
Purchased Services	107,242	76,468	30,774
Supplies and Materials	2,429	1,732	697
Capital Outlay	13,754	9,807	3,947
Other Objects	2,020	1,440	580
Total Community Services	<u>125,445</u>	<u>89,447</u>	<u>35,998</u>
Enterprise Operations			
Personal Services	2,345	1,672	673
Supplies and Materials	210	150	60
Total Enterprise Operations	<u>2,555</u>	<u>1,822</u>	<u>733</u>
Total Expenditures	<u>128,000</u>	<u>91,269</u>	<u>36,731</u>
Excess of Revenues Over (Under) Expenditures	<u>(28,000)</u>	<u>19,099</u>	<u>47,099</u>
Other Financing Sources			
Transfers In	-	880,000	880,000
Total Other Financings Sources	<u>-</u>	<u>880,000</u>	<u>880,000</u>
Net Change in Fund Balance	(28,000)	899,099	927,099
Fund Balance - Beginning of Year	30,702	30,702	-
Fund Balance - End of Year	<u>\$ 2,702</u>	<u>\$ 929,801</u>	<u>\$ 927,099</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Total Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Instruction			
Regular			
Fringe Benefits	600,000	-	600,000
Total Expenditures	600,000	-	600,000
Excess of Revenues Over (Under) Expenditures	(600,000)	-	600,000
Other Financing Sources			
Transfers In	400,000	1,182,500	782,500
Total Other Financings Sources	400,000	1,182,500	782,500
Net Change in Fund Balance	(200,000)	1,182,500	1,382,500
Fund Balance - Beginning of Year	778,671	778,671	-
Fund Balance - End of Year	\$ 578,671	\$ 1,961,171	\$ 1,382,500

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
District Managed Student Activity Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Extracurricular Activities	\$ 176,731	\$ 176,731	\$ -
Miscellaneous	143,269	49,730	(93,539)
Total Revenues	<u>320,000</u>	<u>226,461</u>	<u>(93,539)</u>
Expenditures			
Current:			
Extracurricular Activities			
Academic Oriented Activities			
Purchased Services	5,348	4,846	502
Supplies and Materials	5,961	5,401	560
Other Objects	2,837	2,571	266
Total Academic Oriented Activities	<u>14,146</u>	<u>12,818</u>	<u>1,328</u>
Sport Oriented Activities			
Personal Services	7,367	6,675	692
Fringe Benefits	1,657	1,501	156
Purchased Services	122,736	111,210	11,526
Supplies and Materials	97,755	88,575	9,180
Capital Outlay	7,476	6,774	702
Capital Outlay - Replacement	817	740	77
Other Objects	46,046	41,722	4,324
Total Sport Oriented Activities	<u>283,854</u>	<u>257,197</u>	<u>26,657</u>
Total Extracurricular Activities	<u>298,000</u>	<u>270,015</u>	<u>27,985</u>
Total Expenditures	<u>298,000</u>	<u>270,015</u>	<u>27,985</u>
Excess of Revenues Over (Under) Expenditures	<u>22,000</u>	<u>(43,554)</u>	<u>(65,554)</u>
Other Financing Sources (Uses)			
Advances Out	(12,000)	(12,000)	-
Transfers In	105,000	105,000	-
Total Other Financings Sources (Uses)	<u>93,000</u>	<u>93,000</u>	<u>-</u>
Net Change in Fund Balance	115,000	49,446	(65,554)
Fund Balance - Beginning of Year	37,742	37,742	-
Prior Year Encumbrances Appropriated	12,214	12,214	-
Fund Balance - End of Year	<u>\$ 164,956</u>	<u>\$ 99,402</u>	<u>\$ (65,554)</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Management Information Systems Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 6,500	\$ 5,576	\$ (924)
Total Revenues	6,500	5,576	(924)
Expenditures			
Current:			
Supporting Services			
Instructional Staff			
Purchased Services	10,102	10,102	-
Total Expenditures	10,102	10,102	-
Net Change in Fund Balance	(3,602)	(4,526)	(924)
Fund Balance - Beginning of Year	6,845	6,845	-
Fund Balance - End of Year	\$ 3,243	\$ 2,319	\$ (924)

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Entry Year Teachers Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 4,500	\$ 4,800	\$ 300
Total Revenues	<u>4,500</u>	<u>4,800</u>	<u>300</u>
Expenditures			
Current:			
Instruction			
Regular			
Personal Services	5,850	5,850	-
Total Expenditures	<u>5,850</u>	<u>5,850</u>	<u>-</u>
Net Change in Fund Balance	(1,350)	(1,050)	300
Fund Balance - Beginning of Year	5,850	5,850	-
Fund Balance - End of Year	<u>\$ 4,500</u>	<u>\$ 4,800</u>	<u>\$ 300</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Data Communication Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 9,000	\$ 9,000	\$ -
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Expenditures			
Current:			
Supporting Services			
Instructional Staff			
Purchased Services	18,000	18,000	-
Total Expenditures	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Net Change in Fund Balance	(9,000)	(9,000)	-
Fund Balance - Beginning of Year	9,148	9,148	-
Fund Balance - End of Year	<u>\$ 148</u>	<u>\$ 148</u>	<u>\$ -</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
School Net Professional Development Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ -	\$ 2,970	\$ 2,970
Total Revenues	<u>-</u>	<u>2,970</u>	<u>2,970</u>
Expenditures			
Current:			
Supporting Services			
Instructional Staff			
Personal Services	655	530	125
Purchased Services	6,686	5,410	1,276
Total Expenditures	<u>7,341</u>	<u>5,940</u>	<u>1,401</u>
Net Change in Fund Balance	(7,341)	(2,970)	4,371
Fund Balance - Beginning of Year	7,341	7,341	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 4,371</u>	<u>\$ 4,371</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Miscellaneous	\$ 2,542	\$ -	\$ (2,542)
Total Revenues	<u>2,542</u>	<u>-</u>	<u>(2,542)</u>
Expenditures			
Current:			
Instruction			
Regular			
Personal Services	2,542	-	2,542
Total Expenditures	<u>2,542</u>	<u>-</u>	<u>2,542</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Summer School Intervention Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			(Negative)
Revenues				
Intergovernmental	\$ 5,600		\$ -	\$ (5,600)
Total Revenues	5,600		-	(5,600)
Expenditures				
Current:				
Instruction				
Regular				
Personal Services	15,493		-	15,493
Total Expenditures	15,493		-	15,493
Net Change in Fund Balance	(9,893)		-	9,893
Fund Balance - Beginning of Year	15,493		15,493	-
Fund Balance - End of Year	\$ 5,600		\$ 15,493	\$ 9,893

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 15,000	\$ 15,061	\$ 61
Total Revenues	<u>15,000</u>	<u>15,061</u>	<u>61</u>
Expenditures			
Current:			
Instruction			
Regular			
Personal Services	1,978	1,974	4
Supplies and Materials	-	-	-
Total Instruction	<u>1,978</u>	<u>1,974</u>	<u>4</u>
Supporting Services			
Pupils			
Purchased Services	10,176	10,156	20
Instructional Staff			
Purchased Services	19,387	19,348	39
Pupil Transportation			
Purchased Services	9,459	9,440	19
Total Supporting Services	<u>39,022</u>	<u>38,944</u>	<u>78</u>
Total Expenditures	<u>41,000</u>	<u>40,918</u>	<u>82</u>
Net Change in Fund Balance	(26,000)	(25,857)	143
Fund Balance - Beginning of Year	27,730	27,730	-
Fund Balance - End of Year	<u>\$ 1,730</u>	<u>\$ 1,873</u>	<u>\$ 143</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
IDEA, Part B Special Education, Education of Handicapped Children Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 349,371	\$ 313,273	\$ (36,098)
Total Revenues	<u>349,371</u>	<u>313,273</u>	<u>(36,098)</u>
Expenditures			
Current:			
Instruction			
Special			
Personal Services	111,577	111,577	-
Fringe Benefits	42,247	42,247	-
Purchased Services	159,449	159,449	-
Total Expenditures	<u>313,273</u>	<u>313,273</u>	<u>-</u>
Net Change in Fund Balance	36,098	-	(36,098)
Fund Balance - Beginning of Year	7,773	7,773	-
Fund Balance - End of Year	<u>\$ 43,871</u>	<u>\$ 7,773</u>	<u>\$ (36,098)</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Title III – Limited English Proficiency Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Total Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Instruction			
Regular			
Purchased Services	792	-	792
Total Expenditures	792	-	792
Net Change in Fund Balance	(792)	-	792
Fund Balance - Beginning of Year	792	792	-
Fund Balance - End of Year	\$ -	\$ 792	\$ 792

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Title I – Disadvantaged Children/Targeted Assistance Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 114,583	\$ 106,113	\$ (8,470)
Total Revenues	<u>114,583</u>	<u>106,113</u>	<u>(8,470)</u>
Expenditures			
Current:			
Instruction			
Regular			
Personal Services	75,000	75,000	-
Fringe Benefits	33,812	33,812	-
Total Expenditures	<u>108,812</u>	<u>108,812</u>	<u>-</u>
Net Change in Fund Balance	5,771	(2,699)	(8,470)
Fund Balance - Beginning of Year	2,729	2,729	-
Fund Balance - End of Year	<u>\$ 8,500</u>	<u>\$ 30</u>	<u>\$ (8,470)</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Title V – Innovative Education Programs Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 2,494	\$ 271	\$ (2,223)
Total Revenues	<u>2,494</u>	<u>271</u>	<u>(2,223)</u>
Expenditures			
Current:			
Supporting Services			
Instructional Staff			
Purchased Services	2,506	2,506	-
Total Expenditures	<u>2,506</u>	<u>2,506</u>	<u>-</u>
Net Change in Fund Balance	(12)	(2,235)	(2,223)
Fund Balance - Beginning of Year	12	12	-
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ (2,223)</u>	<u>\$ (2,223)</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Revenues				
Intergovernmental	\$ 4,125		\$ 3,483	\$ (642)
Total Revenues	4,125		3,483	(642)
Expenditures				
Current:				
Instructional Staff				
Purchased Services	3,483		3,483	-
Total Expenditures	3,483		3,483	-
Net Change in Fund Balance	642		-	(642)
Fund Balance - Beginning of Year	2,654		2,654	-
Fund Balance - End of Year	\$ 3,296		\$ 2,654	\$ (642)

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
IDEA Preschool Grant for the Handicapped Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Intergovernmental	\$ 13,180	\$ 10,436	\$ (2,744)
Total Revenues	<u>13,180</u>	<u>10,436</u>	<u>(2,744)</u>
Expenditures			
Current:			
Supporting Services			
Instructional Staff			
Purchased Services	10,436	10,436	-
Total Expenditures	<u>10,436</u>	<u>10,436</u>	<u>-</u>
Net Change in Fund Balance	2,744	-	(2,744)
Fund Balance - Beginning of Year	1,050	1,050	-
Fund Balance - End of Year	<u>\$ 3,794</u>	<u>\$ 1,050</u>	<u>\$ (2,744)</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Improving Teacher Quality Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Revenues				
Intergovernmental	\$ 39,530		\$ 35,637	\$ (3,893)
Total Revenues	39,530		35,637	(3,893)
Expenditures				
Current:				
Supporting Services				
Instructional Staff				
Purchased Services	39,530		28,894	10,636
Total Expenditures	39,530		28,894	10,636
Net Change in Fund Balance	-		6,743	6,743
Fund Balance - Beginning of Year	-		-	-
Fund Balance - End of Year	\$ -		\$ 6,743	\$ 6,743

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Final		(Negative)
Revenues			
Intergovernmental	\$ 1,064	\$ 130	\$ (934)
Total Revenues	1,064	130	(934)
Expenditures			
Current:			
Instruction			
Regular			
Personal Services	1,064	1,064	-
Total Expenditures	1,064	1,064	-
Net Change in Fund Balance	-	(934)	(934)
Fund Balance - Beginning of Year	-	-	-
Fund Balance (Deficit) - End of Year	\$ -	\$ (934)	\$ (934)

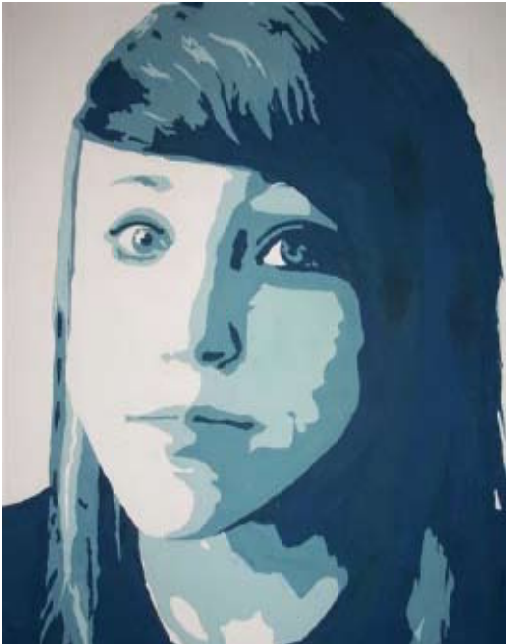
Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
School Net Fund
For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues			
Total Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Supporting Services			
Instructional Staff			
Capital Outlay	12,218	12,218	-
Total Expenditures	12,218	12,218	-
Net Change in Fund Balance	(12,218)	(12,218)	-
Fund Balance - Beginning of Year	12,357	12,357	-
Fund Balance - End of Year	\$ 139	\$ 139	\$ -

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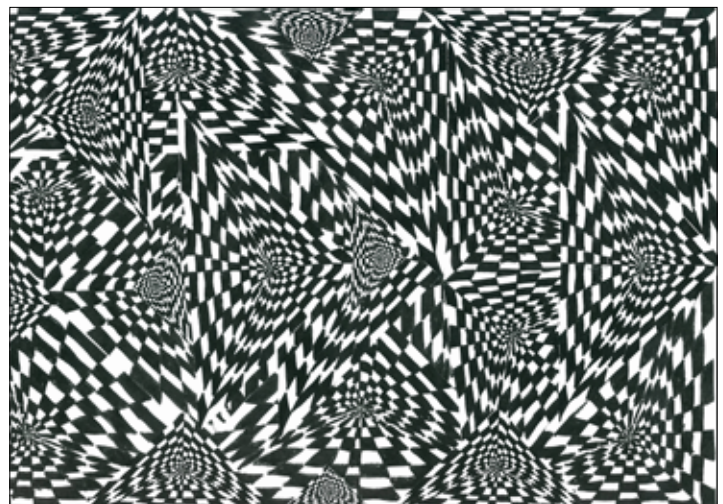
STATISTICAL SECTION



Ashley - Grade 12



Miranda - Grade 10



Sydney - Grade 8

Perry Local School District, Lake County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Statistical Section

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

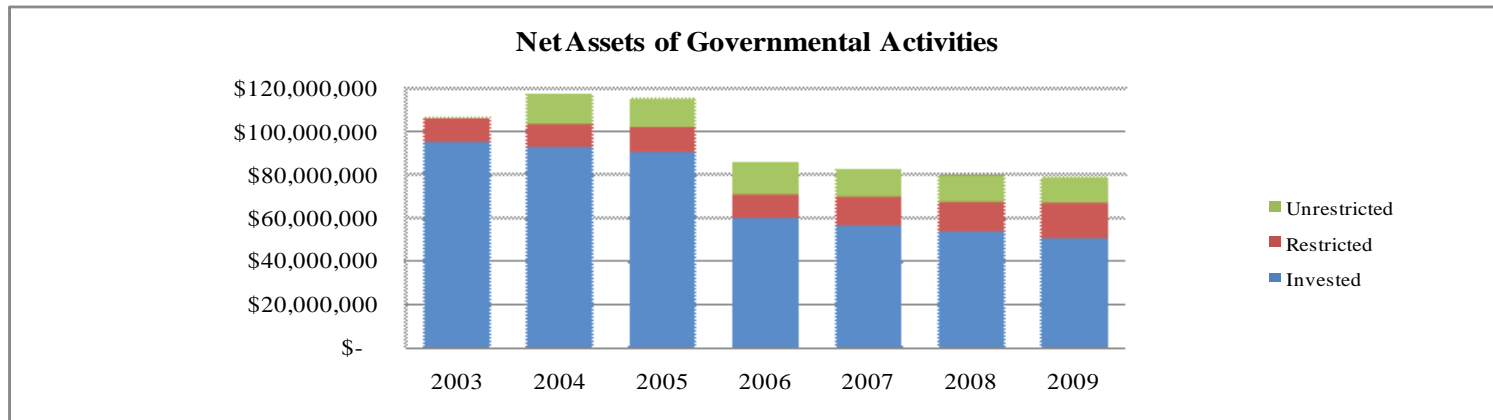
<u>Contents</u>	<u>Page(s)</u>
Financial Trends	104-113
These schedules contain trend information to help the reader understand how the School District's financial position and well-being have changed over time.	
Revenue Capacity	114-120
These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, the property tax.	
Debt Capacity	121-125
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
Economic and Demographic Information	126
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	127-137
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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

	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 95,212,336	\$ 92,675,980	\$ 90,546,942	\$ 59,992,836	\$ 56,511,384	\$ 53,751,215	\$ 50,637,415
Restricted for:							
Capital Projects	8,656,228	8,609,909	8,910,360	9,947,444	11,359,392	12,825,042	13,163,123
School Bus Purchase	-	-	-	-	-	-	58,165
Special Revenue	-	-	-	-	-	-	3,135,101
Other Purposes	2,159,607	2,061,406	2,628,809	892,313	2,032,605	963,076	-
Unrestricted	405,558	13,917,922	13,420,556	14,872,035	12,758,157	12,143,089	11,821,935
Total Governmental Activities							
Net Assets	<u>\$106,433,729</u>	<u>\$117,265,217</u>	<u>\$115,506,667</u>	<u>\$85,704,628</u>	<u>\$82,661,538</u>	<u>\$79,682,422</u>	<u>\$78,815,739</u>

Note: In previous years' presentation, the Restricted for School Bus Purchases and Special Revenue were included with the Other Purposes.



Perry Local School District, Lake County

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

	2003	2004	2005	2006	2007	2008	2009
Expenses							
<u>Governmental Activities:</u>							
Instruction:							
Regular	\$14,175,032	\$13,077,553	\$12,230,592	\$15,325,095	\$15,184,441	\$15,294,055	\$ 14,536,488
Special	1,269,402	1,124,743	1,090,125	821,449	1,457,668	1,428,200	1,320,251
Vocational	114,383	115,592	98,570	116,040	114,297	121,250	120,587
Other	69,240	37,796	32,197	785,313	923,679	916,119	770,761
Support Services:							
Pupils	950,288	1,081,468	742,116	878,232	1,308,572	1,025,569	1,031,255
Instructional Staff	2,339,328	2,837,881	3,121,059	2,349,787	2,477,950	2,506,310	1,532,979
Board of Education	152,511	147,150	157,757	139,355	100,833	125,627	86,509
Administration	2,629,941	2,242,357	2,416,152	1,585,349	1,916,794	1,905,194	1,702,892
Fiscal Services	610,539	965,298	1,010,287	690,717	944,895	974,311	790,862
Business	46,852	33,432	40,684	29,094	39,441	278,977	115,727
Operation and Maintenance of Plant Services	3,559,262	4,732,211	4,601,421	4,515,919	5,713,758	4,527,545	4,255,754
Pupil Transportation	1,901,163	1,726,655	1,640,910	1,718,572	1,557,654	1,361,969	1,479,169
Central	36,117	98,440	189,676	205,084	48,985	50,928	37,888
Operation of Non-Instructional Services:							
Food Service Operations	577,810	375,570	264,973	458,537	269,861	995,261	968,702
Other	363,411	1,434,705	2,167,803	288,604	188,690	424,243	400,759
Extracurricular Activities	1,381,559	1,301,345	1,342,991	1,519,311	1,922,761	1,457,243	1,351,305
Interest and Fiscal Charges	-	-	-	-	81,952	90,102	83,295
<i>Total Governmental Activities Expenses</i>	<u>30,176,838</u>	<u>31,332,196</u>	<u>31,147,313</u>	<u>31,426,458</u>	<u>34,252,231</u>	<u>33,482,903</u>	<u>30,585,183</u>

(continued)

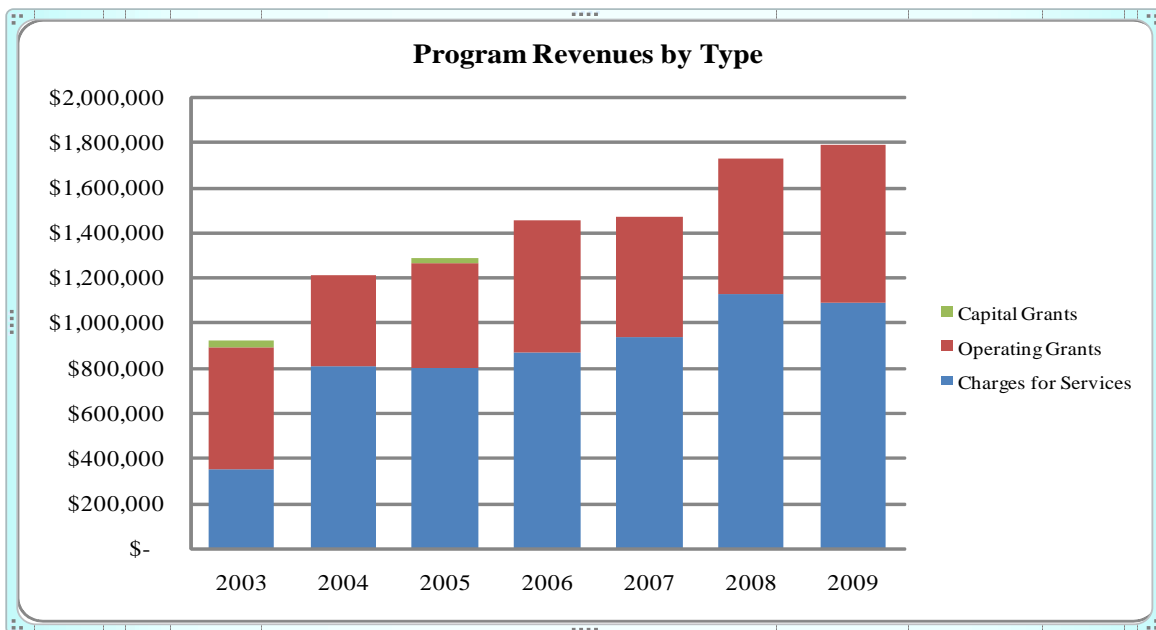
Perry Local School District, Lake County

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

	2003	2004	2005	2006	2007	2008	2009
Program Revenues							
<u>Governmental Activities:</u>							
Charges for Services:							
Regular Instruction	10,380	-	-	-	-	-	28,358
Special Instruction							3,604
Pupil Transportation	27,769	-	-	-	-	-	28,139
Operation of Food Service	311,853	485,823	463,931	516,379	602,693	706,296	640,039
Other	-	49,475	84,262	99,282	77,912	108,758	112,134
Extracurricular Activities	-	270,029	252,128	271,157	253,558	308,698	275,804
Operating Grants and Contributions:							
Regular Instruction	-	49,006	44,125	43,589	35,282	62,103	117,140
Special Instruction	55,286	58,946	55,041	54,492	48,541	300,270	313,273
Pupil Support	110,550	130,066	201,238	347,178	293,502	5,095	-
Staff Support	-	1,572	1,457	991	-	79,595	81,741
Administration	10,696	-	-	-	-	10,000	10,000
Pupil Transportation	-	-	-	-	-	9,440	-
Operation of Food Service	143,454	93,897	96,985	3,091	2,402	136,034	173,448
Operation of Maintenance of Plant Services	6,669	5,100	5,244	8,143	15,637	-	-
Extracurricular Activities	216,438	63,366	61,475	122,380	138,276	-	-
Capital Grants and Contributions:							
Pupil Transportation	27,562	-	16,905	-	-	-	-
<i>Total Governmental Activities- Program Revenues</i>	<u>920,657</u>	<u>1,207,280</u>	<u>1,282,791</u>	<u>1,466,682</u>	<u>1,467,803</u>	<u>1,726,289</u>	<u>1,783,680</u>
Net (Expense)/Revenue							
Governmental Activities	<u>(29,256,181)</u>	<u>(30,124,916)</u>	<u>(29,864,522)</u>	<u>(29,959,776)</u>	<u>(32,784,428)</u>	<u>(31,756,614)</u>	<u>(28,801,503)</u>
General Revenues and Other Changes in Net Assets							
<u>Governmental Activities:</u>							
Property Taxes Levied for:							
General Purposes	12,445,857	27,110,348	15,151,250	15,324,587	15,046,416	14,965,281	14,455,059
Grants and Entitlements not Restricted to Specific Programs	11,952,691	11,857,910	11,826,865	11,682,411	11,937,105	12,052,117	12,119,566
Investment Earnings	436,900	212,009	806,475	848,737	1,402,315	1,249,528	772,699
Gain on Sale of Assets	11,779	-	-	-	-	-	-
Miscellaneous	1,125,593	1,776,137	321,382	325,611	365,960	510,572	514,017
Transfers	(35,175)	-	-	-	-	-	-
<i>Total Governmental Activities</i>	<u>25,937,645</u>	<u>40,956,404</u>	<u>28,105,972</u>	<u>28,181,346</u>	<u>28,751,796</u>	<u>28,777,498</u>	<u>27,861,341</u>
Change in Net Assets							
Governmental Activities	<u><u>\$(3,318,536)</u></u>	<u><u>\$ 10,831,488</u></u>	<u><u>\$(1,758,550)</u></u>	<u><u>\$ (1,778,430)</u></u>	<u><u>\$(4,032,632)</u></u>	<u><u>\$(2,979,116)</u></u>	<u><u>\$ (940,162)</u></u>

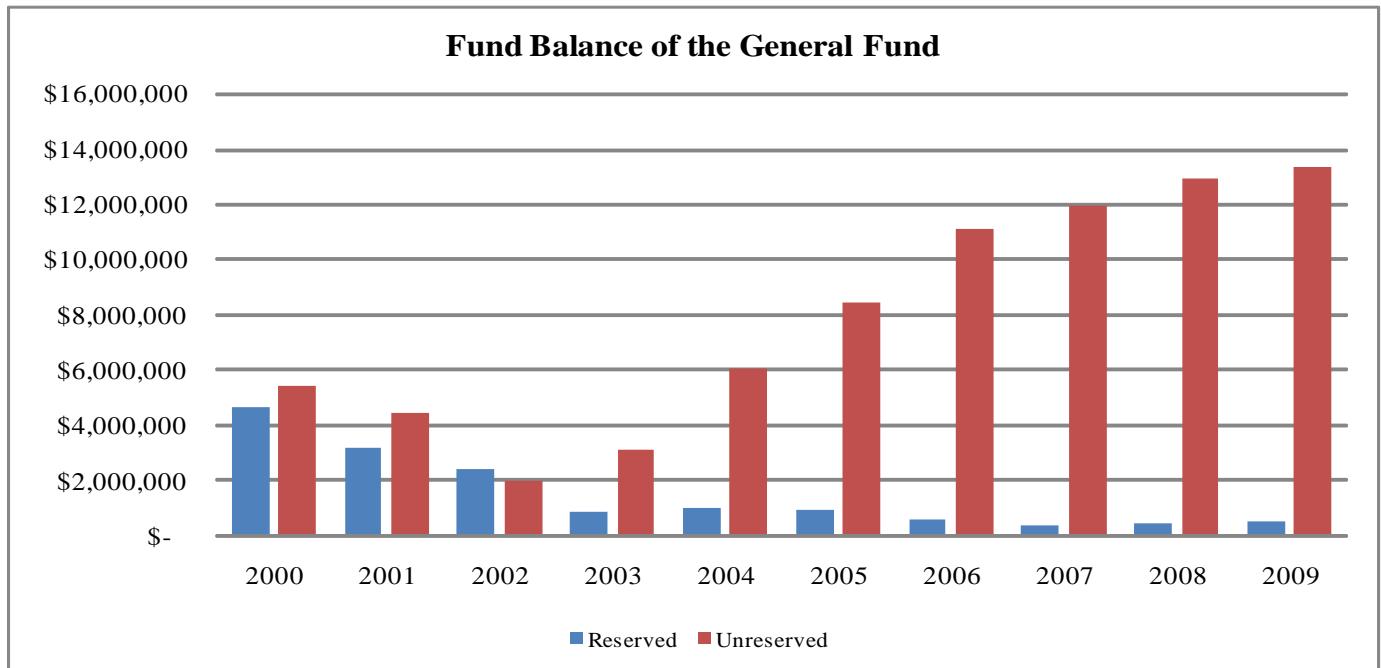
**Program Revenues of Governmental Activities by Function
Last Seven Fiscal Years
(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009
Governmental Activities							
Instruction:							
Regular	\$ 10,380	\$ 49,006	\$ 44,125	\$ 43,589	\$ 35,282	\$ 62,103	\$ 145,498
Special	55,286	58,946	55,041	54,492	48,541	300,270	316,877
Support Services:							
Pupils	110,550	130,066	201,238	347,178	293,502	5,095	-
Instructional Staff	-	1,572	1,457	991	-	79,595	81,741
Administration	10,696	-	-	-	-	10,000	10,000
Business	-	-	-	-	-	-	-
Operation and Maintenance of Plant Services	6,669	5,100	5,244	8,143	15,637	-	-
Pupil Transportation	55,331	-	16,905	-	-	9,440	28,139
Operation of Non-Instructional Services:							
Operation of Food Service	455,307	579,720	560,916	519,470	605,095	842,330	813,487
Other	-	49,475	84,262	99,282	77,912	108,758	112,134
Extracurricular Activities	216,438	333,395	313,603	393,537	391,834	308,698	275,804
Total Program Revenues	\$920,657	\$1,207,280	\$1,282,791	\$1,466,682	\$1,467,803	\$1,726,289	\$1,783,680



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

	2000	2001	2002	2003	2004
General Fund					
Reserved	\$4,700,629	\$3,195,605	\$2,436,179	\$876,616	\$1,016,895
Unreserved	5,451,073	4,491,135	1,999,779	3,175,690	6,074,494
<i>Total General Fund</i>	<u>10,151,702</u>	<u>7,686,740</u>	<u>4,435,958</u>	<u>4,052,306</u>	<u>7,091,389</u>
All Other Governmental Funds					
Reserved	79,048	105,705	16,198	485,944	234,730
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	819,366	1,174,991	1,220,576	1,203,008	1,196,380
Debt Service Funds	1,223	1,398	-	-	-
Capital Projects Funds	6,718,412	8,224,326	8,560,992	8,656,228	8,428,372
Total All Other Governmental Funds	<u>7,618,049</u>	<u>9,506,420</u>	<u>9,797,766</u>	<u>10,345,180</u>	<u>9,859,482</u>
<i>Total Governmental Funds</i>	<u>\$17,769,751</u>	<u>\$17,193,160</u>	<u>\$14,233,724</u>	<u>\$14,397,486</u>	<u>\$16,950,871</u>



Perry Local School District, Lake County

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$975,084	\$663,620	\$450,223	\$464,813	\$ 584,934
<u>8,484,998</u>	<u>11,142,872</u>	<u>11,979,169</u>	<u>12,958,071</u>	<u>13,341,149</u>
<u>9,460,082</u>	<u>11,806,492</u>	<u>12,429,392</u>	<u>13,422,884</u>	<u>13,926,083</u>
49,173	1,979,202	638,136	95,940	64,495
1,069,639	569,147	441,381	976,868	3,158,487
-	-	-	-	-
<u>8,878,110</u>	<u>9,888,935</u>	<u>11,359,392</u>	<u>12,689,452</u>	<u>13,129,352</u>
<u>9,996,922</u>	<u>12,437,284</u>	<u>12,438,909</u>	<u>13,762,260</u>	<u>16,352,334</u>
<u>\$19,457,004</u>	<u>\$24,243,776</u>	<u>\$24,868,301</u>	<u>\$27,185,144</u>	<u>\$30,278,417</u>

Perry Local School District, Lake County

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

	2000	2001	2002	2003	2004
Revenues					
Taxes	\$24,181,079	\$23,116,377	\$17,166,513	\$12,445,857	\$16,560,396
Intergovernmental	-	-	-	12,236,648	12,286,897
Interest	1,102,804	1,381,433	728,956	436,900	212,009
Tuition and Fees	-	-	-	66,813	49,475
Transportation Fees	25,931	14,683	28,977	-	-
Extracurricular Activities	270,727	215,562	255,400	216,438	270,029
Charges for Services	-	-	-	453,483	485,823
Food Services	-	-	-	-	-
Classroom Materials and Fees	4,382	4,975	5,936	-	-
Unrestricted Grants-in-Aid	1,412,058	1,465,516	6,574,747	-	-
Restricted Grants-in-Aid	569,641	454,378	266,635	-	-
Miscellaneous	210,752	220,148	212,954	1,126,136	882,010
<i>Total Revenues</i>	<u>27,777,374</u>	<u>26,873,072</u>	<u>25,240,118</u>	<u>26,982,275</u>	<u>30,746,639</u>
Expenditures					
Current:					
Instruction:					
Regular	11,478,769	11,465,646	11,841,767	11,048,190	10,987,013
Special	822,379	972,607	1,035,170	1,208,518	1,154,364
Vocational	146,928	159,750	-	111,581	116,348
Other	-	-	157,262	23,805	93,347
Support Services:					
Pupil	1,015,302	914,588	1,112,736	908,440	1,110,410
Instructional Staff	2,586,555	2,896,310	2,908,952	2,144,084	2,730,084
Board of Education	138,869	143,485	194,849	108,040	147,150
Administration	1,873,436	2,080,642	2,454,008	2,549,248	2,253,431
Fiscal Services	570,676	657,190	634,082	609,225	959,051
Business	48,924	59,434	51,242	45,909	32,489
Operation and Maintenance					
of Plant Services	3,638,128	4,371,141	4,298,574	3,808,039	3,838,174
Pupil Transportation	1,749,796	1,981,280	1,967,017	1,808,567	1,605,915
Central	134,186	131,424	132,078	41,560	94,401
Operation of Non-Instructional Services:					
Food Services Operations	-	-	-	924,381	1,020,241
Community Services	61,470	84,218	50,066	-	-
Other	-	-	-	154,440	374,251
Extracurricular Activities	1,087,097	1,141,188	1,329,410	1,077,129	1,086,579
Capital Outlay	1,337,963	599,655	275,949	96,212	590,006

(continued)

Perry Local School District, Lake County

2005	2006	2007	2008	2009
\$17,355,962	\$17,807,067	\$17,547,414	\$17,400,098	\$ 14,466,126
12,345,946	12,248,973	12,489,225	12,647,424	12,636,433
806,475	848,737	1,402,315	1,249,528	772,699
84,263	99,281	77,912	44,066	16,217
-	-	-	21,035	28,140
252,128	271,157	253,558	299,946	267,742
463,931	516,379	602,693	101,310	112,134
-	-	-	657,214	571,348
-	-	-	16,395	13,951
-	-	-	-	-
-	-	-	-	-
806,862	421,489	537,102	448,467	864,005
<u>32,115,567</u>	<u>32,213,083</u>	<u>32,910,219</u>	<u>32,885,483</u>	<u>29,748,795</u>

11,221,408	11,928,011	12,037,677	11,260,700	10,580,613
1,179,131	829,328	1,499,703	1,478,133	1,297,463
110,527	115,937	108,223	108,115	109,693
39,230	785,313	867,981	760,547	773,955
926,847	860,994	1,158,210	984,687	1,072,344
3,074,742	2,406,939	2,545,006	2,499,901	1,624,412
157,757	139,355	100,833	125,543	86,509
2,458,805	1,669,702	1,954,373	1,830,378	1,683,482
1,006,609	775,340	944,592	947,270	725,078
39,741	29,094	39,741	278,348	115,727
3,935,458	4,591,199	4,381,060	4,459,596	4,126,267
1,647,709	1,624,819	1,579,401	1,272,936	1,308,781
187,096	191,145	56,059	50,928	37,888
893,120	406,998	1,202,080	989,954	938,928
-	-	-	188,326	214,538
130,107	239,986	12,766	235,917	194,898
1,294,516	1,397,808	1,215,304	1,289,702	1,224,804
1,306,631	1,228,656	2,320,402	1,571,292	142,859

(continued)

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Expenditures (continued)					
Debt Service:					
Principal Retirement	15,000	15,000	-	-	-
Interest and Fiscal Charges	1,547	341	-	-	-
<i>Total Expenditures</i>	<u>26,707,025</u>	<u>27,673,899</u>	<u>28,443,162</u>	<u>26,667,368</u>	<u>28,193,254</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,070,349</u>	<u>(800,827)</u>	<u>(3,203,044)</u>	<u>314,907</u>	<u>2,553,385</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	10,776	20,227	138,984	11,779	-
Proceeds from Sale of Debt	-	-	-	-	-
Inception of Capital Lease	-	-	-	-	-
Refund of Prior Year Expenditures	503,885	441,540	413,611	-	-
Refund of Prior Year Receipts	-	-	(2,489)	-	-
Transfers In	1,575,270	1,485,200	118,098	304,150	513,454
Transfers Out	<u>(1,717,370)</u>	<u>(1,730,200)</u>	<u>(412,398)</u>	<u>(504,325)</u>	<u>(513,454)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>372,561</u>	<u>216,767</u>	<u>255,806</u>	<u>(188,396)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>\$1,442,910</u>	<u>(\$584,060)</u>	<u>(\$2,947,238)</u>	<u>\$126,511</u>	<u>\$2,553,385</u>
Debt Service as a Percentage of Noncapital Expenditures	0.07%	0.06%	0.00%	0.00%	0.00%

Perry Local School District, Lake County

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
-	-	180,331	187,396	194,737
-	-	81,952	74,887	67,546
<u>29,609,434</u>	<u>29,220,624</u>	<u>32,285,694</u>	<u>30,594,556</u>	<u>26,520,522</u>
<u>2,506,133</u>	<u>2,992,459</u>	<u>624,525</u>	<u>2,290,927</u>	<u>3,228,273</u>
-	-	-	2,516	-
-	2,156,818	-	-	-
-	-	-	188,400	-
-	-	-	-	-
-	-	-	-	-
1,570,061	2,305,000	3,285,960	2,433,697	2,618,500
<u>(1,570,061)</u>	<u>(2,305,000)</u>	<u>(3,285,960)</u>	<u>(2,598,697)</u>	<u>(2,753,500)</u>
-	2,156,818	-	25,916	(135,000)
<u>\$2,506,133</u>	<u>\$5,149,277</u>	<u>\$624,525</u>	<u>\$2,316,843</u>	<u>\$3,093,273</u>
0.00%	0.00%	0.88%	0.88%	1.00%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2000	\$ 113,620,000	\$ 144,948,830	\$ 738,768,086	\$ 402,131,630	\$ 456,967,761
2001	129,998,990	126,460,740	732,742,086	335,577,300	\$381,337,841
2002	132,874,290	129,570,020	749,840,886	151,204,940	\$171,823,795
2003	136,300,080	129,986,080	760,817,600	210,365,000	\$239,051,136
2004	165,446,320	85,007,160	715,581,371	177,833,610	\$202,083,648
2005	171,498,000	83,717,980	729,188,514	195,577,990	\$222,247,716
2006	177,586,570	83,765,960	746,721,514	174,218,170	\$197,975,193
2007	203,647,280	89,561,620	837,739,714	163,837,760	\$186,179,273
2008	207,911,800	90,901,040	853,750,971	152,113,140	\$172,855,841
2009	210,347,700	92,109,470	864,163,343	156,680,560	\$178,046,091

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

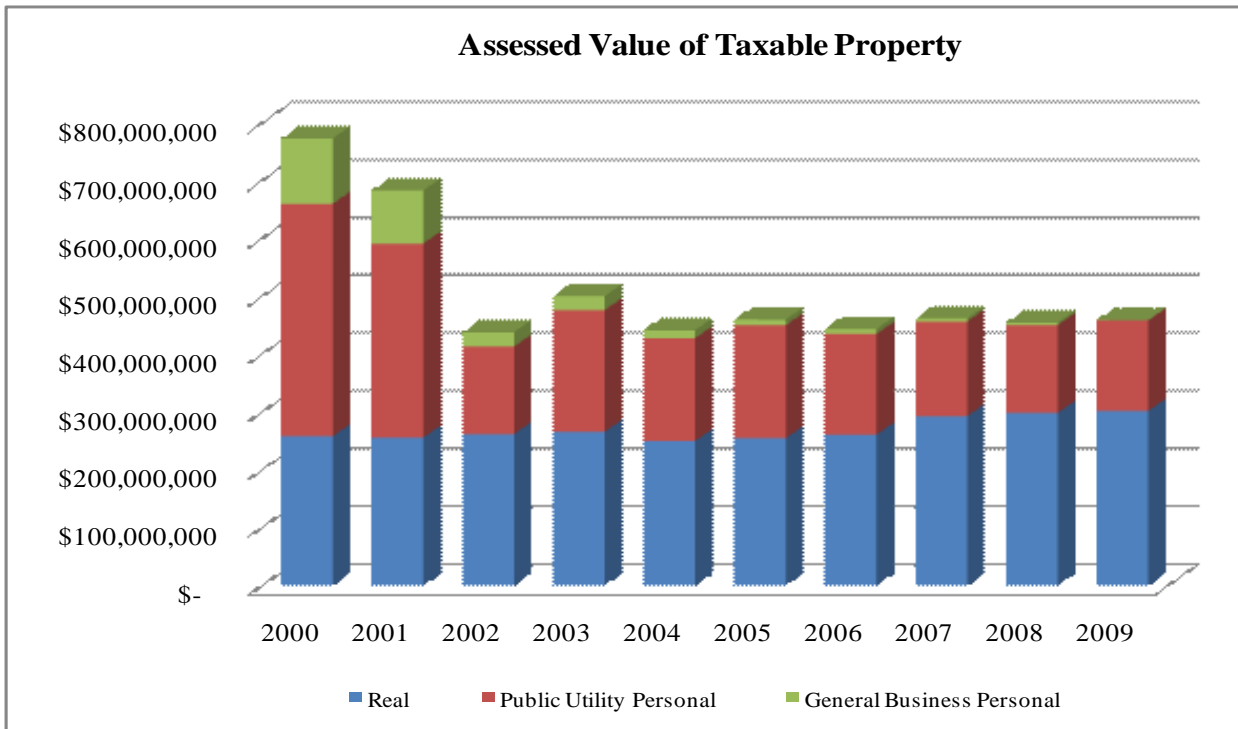
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value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

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

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

Perry Local School District, Lake County

Tangible Personal Property					
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Weighted Average Tax Rate
\$ 113,045,216	\$ 452,180,864	\$ 773,745,676	\$ 1,647,916,711	46.95%	36.1129
91,817,710	367,270,840	683,854,740	1,481,350,767	46.16%	35.5934
24,835,318	99,341,272	438,484,568	1,021,005,953	42.95%	30.4622
24,218,272	96,873,088	500,869,432	1,096,741,824	45.67%	31.9871
13,710,656	54,842,624	441,997,746	972,507,643	45.45%	32.8642
9,664,511	38,658,044	460,458,481	990,094,274	46.51%	33.1096
8,481,211	45,233,125	444,051,911	989,929,833	44.86%	32.3815
5,396,244	43,169,952	462,442,904	1,067,088,939	43.34%	31.0271
4,218,120	67,489,920	455,144,100	1,094,096,732	41.60%	30.5657
472,480	7,559,680	459,610,210	1,049,769,114	43.78%	30.5342



Perry Local School District, Lake County

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

Tax Year/ Collection Year	School Levy	County Levy	Other Levies (1)	Total Levy	Debt Service Included in Total Levy (2)			
					School	County	Other	Total
1999/2000	44.20	10.30	26.00	80.50	-	-	-	-
2000/2001	44.20	10.30	26.00	80.50	-	-	-	-
2001/2002	44.20	10.30	26.00	80.50	-	-	-	-
2002/2003	44.20	10.30	25.90	80.40	-	-	-	-
2003/2004	44.20	10.30	25.90	80.40	-	-	-	-
2004/2005	44.20	10.30	25.90	80.40	-	-	-	-
2005/2006	44.20	10.30	25.90	80.40	-	-	-	-
2006/2007	44.20	10.30	26.30	80.80	-	-	-	-
2007/2008	44.20	10.40	26.30	80.90	-	-	-	-
2008/2009	44.20	10.40	26.30	80.90	-	-	-	-

Source: Office of the County Auditor, Lake County, Ohio - Data is presented on a calendar year basis consistent with the County Auditor's method of maintaining the information.

(1) Other levies are comprised of levies from the following overlapping governments: Auburn JVSD, Perry Corp., Perry Twp., Lakeland Community College, Metropolitan Park District, Perry Twp. Fire District, Lake County Joint Financing District, and Perry Twp. Library District

(2) None of the levies had debt service levies

Perry Local School District, Lake County

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

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
1999	\$25,379,659	\$23,027,835	90.73%	\$61,067	\$23,088,902	90.97%
2000	25,691,255	22,525,425	87.68	55,563	22,580,988	87.89
2001	22,843,097	20,852,639	91.29	1,695,160	22,547,799	98.71
2002	13,295,823	10,845,961	81.57	337,313	11,183,274	84.11
2003	15,533,716	13,233,275	85.19	353,155	13,586,430	87.46
2004	14,237,249	13,219,709	92.85	3,526,989	16,746,698	117.63 (4)
2005	15,352,373	15,192,286	98.96	2,654,146	17,846,432	116.25 (4)
2006	14,345,921	14,226,667	99.17	2,608,008	16,834,676	117.35 (4)
2007	14,393,154	14,028,888	97.47	5,190,914	19,219,803	133.53 (4)
2008	13,864,693	13,679,694	98.67	2,621,886	16,301,580	117.58 (4)

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2009 information cannot be presented because all collections have not been made by June 30, 2009.
- (3) The County does not maintain delinquency information by tax year.
- (4) A property tax settlement was reached with the Perry Power Plant. The proceeds from the settlement are included with delinquent taxes.

Perry Local School District, Lake County

**Principal Taxpayers
Real Estate Tax
2000 and 2009 (1)**

<u>Name of Taxpayer</u>	<u>December 31, 2008</u>	
	<u>Assessed Value</u>	<u>Percent of Real Property Assessed Value</u>
First Energy Nuclear	\$69,686,910	23.04%
Lake County Nursery Inc.	2,341,760	0.77%
Losely Gertrude TR	1,513,210	0.50%
A & L Nurseries LLC	1,426,280	0.47%
APSCO Properties LTD	1,351,540	0.45%
Deming V LLC	1,268,460	0.42%
Loreto Development	1,211,910	0.40%
Norshar Company	1,186,780	0.39%
Deming III LLC	1,094,680	0.36%
Deming IX LLC	737,360	0.24%
Totals	<u>\$81,818,890</u>	<u>27.05%</u>
Total Assessed Valuation	<u>\$302,457,170</u>	

<u>Name of Taxpayer</u>	<u>December 31, 2000</u>	
	<u>Assessed Value</u>	<u>Percent of Real Property Assessed Value</u>
CEI	\$107,699,770	41.65%
Toledo Edison	26,689,200	10.32%
Noreen Goldstein TR 1/2	1,268,200	0.49%
Lake County Nursery Inc.	1,125,460	0.44%
Liberty Self Storage LTD	632,030	0.24%
Dela Perry Corp	562,910	0.22%
Celco Co	523,160	0.20%
Tomen Agro Inc	490,570	0.19%
APSCO Properties LTD	460,900	0.18%
Losely Eward	377,220	0.15%
Totals	<u>\$139,829,420</u>	<u>54.08%</u>
Total Assessed Valuation	<u>\$258,568,830</u>	

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

(1) The amounts presented represent the assessed values upon which 2000 and 2009 collections were based.

Perry Local School District, Lake County

**Principal Taxpayers
Tangible Personal Property Tax
2000 and 2009 (1)**

Name of Taxpayer	December 31, 2008	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Mid West Materials Inc	\$978,780	12.95%
Windstram Western Reserve Inc	440,530	5.83%
APSCO Inc	423,020	5.60%
Mackenzie Nursery Supply Inc	128,180	1.70%
Neff Perkins Company	112,970	1.49%
Lake County Parts	100,720	1.33%
Sprint Communications	94,760	1.25%
Emerson Network Power	83,650	1.11%
New Par	60,450	0.80%
Clark Rubber & Plastic	59,050	0.78%
Total (2)	<u>\$2,482,110</u>	<u>32.83%</u>
Total Assessed Valuation (2)	<u>\$7,559,680</u>	

Name of Taxpayer	December 31, 2000	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
OES Nuclear Inc	\$47,541,080	42.05%
Centerior Fuel Corp.	24,772,610	21.91%
OES Fuel Inc.	17,426,220	15.42%
Penn Fuel Corp	11,578,906	10.24%
Signature Energy Supply	3,954,270	3.50%
Tomen Argo Inc	3,221,070	2.85%
Mid West Materials Inc	2,902,110	2.57%
APSCO Inc	1,914,040	1.69%
Thermatool Mill Systems	1,263,334	1.12%
Mackenzie Nursery Supply	394,740	0.35%
Total	<u>\$114,968,380</u>	<u>101.70%</u>
Total Assessed Valuation	<u>\$113,045,216</u>	

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

- (1) The amounts presented represent the assessed values upon which 2000 and 2009 collections were based.
- (2) The assessed personal property valuation total is the 2004 frozen abstract values depreciated by 25% a year until zero for 2009. The top ten values are the actual collected values for that year.

Perry Local School District, Lake County

**Principal Taxpayers
Public Utilities Tax
2000 and 2009 (1)**

	December 31, 2008	
Name of Taxpayer	Assessed Value	Percent of Public Utility Assessed Value
First Energy Nuclear	\$132,411,090	84.51%
Ohio Edison	8,727,590	5.57%
American Transmission	7,999,750	5.11%
CEI	6,180,670	3.94%
Toledo Edison	606,250	0.39%
East Ohio Gas	487,910	0.31%
Total	\$156,413,260	99.83%
Total Assessed Valuation	\$156,680,560	

	December 31, 2000	
Name of Taxpayer	Assessed Value	Percent of Public Utility Assessed Value
Duquesne Light	\$123,793,440	30.78%
CEI	112,673,330	28.02%
Ohio Edison	85,321,360	21.22%
Pennsylvania Power	40,433,200	10.05%
Toledo Edison	35,238,700	8.76%
East Ohio Gas	1,513,460	0.38%
Western Reserve Telephone	1,353,940	0.34%
Total	\$400,327,430	99.55%
Total Assessed Valuation	\$402,131,630	

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

(1) The amounts presented represent the assessed values upon which 2000 and 2009 collections were based.

Perry Local School District, Lake County

**Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2009**

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
Lake County Bonds	\$21,685,000	6.76%	\$1,465,906
Perry Village Bonds	\$292,000	100.00%	292,000
Perry Township Bonds	\$793,323	100.00%	793,323
Total Overlapping Debt	<u>\$22,770,323</u>		<u>\$2,551,229</u>
Direct Debt - Perry Local School District			
Energy Conservation Note	1,594,354	100.00%	1,594,354
Capital Lease	127,949	100.00%	127,949
Total Direct Debt	<u>1,722,303</u>		<u>1,722,303</u>
Total Direct and Overlapping Debt	<u>\$24,492,626</u>		<u>\$4,273,532</u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2008 collection year.

Perry Local School District, Lake County

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

Fiscal Year	Population (1)	General Debt						
		General Bonded Debt Outstanding	Energy Conservation Note	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value (2)	Ratio of General Debt to Personal Income (3)	General Debt Per Capita
2000	6,596 (a)	15,000	-	-	15,000	0.00%	0.01%	2.27
2001	6,596 (a)	-	-	-	-	0.00%	0.00%	-
2002	6,596 (a)	-	-	-	-	0.00%	0.00%	-
2003	6,596 (a)	-	-	-	-	0.00%	0.00%	-
2004	6,596 (a)	-	-	-	-	0.00%	0.00%	-
2005	6,596 (a)	-	-	-	-	0.00%	0.00%	-
2006	6,596 (a)	-	2,156,818	-	2,156,818	0.22%	1.54%	326.99
2007	6,596 (a)	-	1,976,487	496,395	2,472,882	0.23%	1.76%	374.91
2008	6,596 (a)	-	1,789,091	217,815	2,006,906	0.18%	1.43%	304.26
2009	6,596 (a)	-	1,594,354	127,949	1,722,303	0.16%	1.23%	261.11

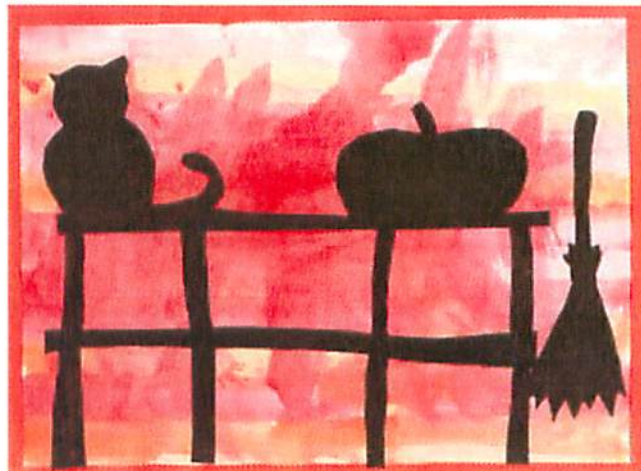
Sources: (1) U.S. Bureau of Census, Census of Population
(a) 2000 Federal Census
(2) The Estimated Actual Value can be found on page 115.
(3) The Personal Income can be found on page 126.



Alyssia - Grade 8



Tess - Grade 6



Owen - Grade 2

Perry Local School District, Lake County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Perry Local School District, Lake County

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Assessed Valuations	<u>\$722,927,699</u>	<u>\$682,985,609</u>	<u>\$437,602,230</u>	<u>\$499,916,266</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$65,063,493</u>	<u>\$61,468,705</u>	<u>\$39,384,201</u>	<u>\$44,992,464</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	15,000	-	-	-
Energy Conservation Notes	-	-	-	-
Less Amount Available in Debt Service	-	-	-	-
Total	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Exemptions:				
Energy Conservation Notes	-	-	-	-
Amount of Debt Subject to Limit	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$65,048,493</u>	<u>\$61,468,705</u>	<u>\$39,384,201</u>	<u>\$44,992,464</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.98%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$722,928	\$682,986	\$437,602	\$499,916
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Legal Debt Margin	<u>\$722,928</u>	<u>\$682,986</u>	<u>\$437,602</u>	<u>\$499,916</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Lake County Auditor and School District Financial Records

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

Perry Local School District, Lake County

2004	2005	2006	2007	2008	2009
<u>\$441,997,746</u>	<u>\$460,458,481</u>	<u>\$444,051,911</u>	<u>\$43,169,952</u>	<u>\$455,144,100</u>	<u>\$459,610,210</u>
<u>\$39,779,797</u>	<u>\$41,441,263</u>	<u>\$39,964,672</u>	<u>\$3,885,296</u>	<u>\$40,962,969</u>	<u>\$41,364,919</u>
-	-	-	-	-	-
-	-	2,156,818	1,976,487	1,789,091	1,594,354
-	-	-	-	-	-
-	-	2,156,818	1,976,487	1,789,091	1,594,354
-	-	(2,156,818)	(1,976,487)	(1,789,091)	(1,594,354)
-	-	-	-	-	-
<u>\$39,779,797</u>	<u>\$41,441,263</u>	<u>\$39,964,672</u>	<u>\$3,885,296</u>	<u>\$40,962,969</u>	<u>\$41,364,919</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$441,998	\$460,458	\$444,052	\$43,170	\$455,144	\$459,610
-	-	-	-	-	-
<u>\$441,998</u>	<u>\$460,458</u>	<u>\$444,052</u>	<u>\$43,170</u>	<u>\$455,144</u>	<u>\$459,610</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Perry Local School District, Lake County

**Demographic and Economic Statistics
(includes North Perry Village, Perry Township and Perry Village)
Last Ten Years**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (3)</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (2)</u>
2000	6,596	\$ 140,461,820	\$ 21,295	4.00%
2001	6,596	140,461,820	21,295	4.00%
2002	6,596	140,461,820	21,295	5.00%
2003	6,596	140,461,820	21,295	5.90%
2004	6,596	140,461,820	21,295	6.00%
2005	6,596	140,461,820	21,295	5.80%
2006	6,596	140,461,820	21,295	5.30%
2007	6,596	140,461,820	21,295	5.60%
2008	6,596	140,461,820	21,295	5.70%
2009	6,596	140,461,820	21,295	8.80% (a)

Sources: (1) 2000 U.S. Federal Census Bureau
 (2) Represents Lake County
 (a) Information as of July 2009
 (3) Computation of Per Capita Personal Income multiplied by population.

Perry Local School District, Lake County

**Principal Employers
Current and Prior Year**

		2009	
Employer	Nature of Business	Number of Employees (2)	Percentage of Total Employment
FirstEnergy Corporation (CEI)	Energy	755	21%
Perry Local School District	Education	238	7%
APSCO	Manufacturing	212	6%
Cottage Gardens	Agriculture	116	3%
Mid-West Materials	Manufacturing	46	1%
Rideout's IGA	Grocer	50	1%
Perry Joint Fire District	Safety	43	1%
Lake County Nursery	Agriculture	30	1%
Total		<u>1,490</u>	<u>42%</u>

Total Employment within the School District (1) 3,532

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

Total Employment within the School District (1) 3,532

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

Perry Local School District, Lake County

**Building Statistics
Last Ten Fiscal Years**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Perry Elementary School				
Constructed in 1995				
Total Building Square Footage 83,000				
Enrollment Grades K-4	664	651	655	614
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	38	38	38	38
Regular Instruction Teachers	32	31	32	31
Special Instruction Classrooms	17	17	17	17
Special Instruction Teachers	11	11.5	11	11
Perry Middle School				
Constructed in 1995				
Total Building Square Footage 113,000				
Enrollment Grades 5-8	616	648	617	612
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	29	29	32	30
Special Instruction Classrooms	14	14	14	14
Special Instruction Teachers	11	10.5	10	10
Perry High School				
Constructed in 1993				
Total Building Square Footage 271,000				
Enrollment Grades 9-12	642	614	644	613
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	30	30	30	30
Regular Instruction Teachers	24	23	21	22
Special Instruction Classrooms	18	18	18	18
Special Instruction Teachers	18	17	18	16

Source: District Records, Ohio Department of Education

Perry Local School District, Lake County

2004	2005	2006	2007	2008	2009
598	613	638	674	651	656
1,200	1,200	1,200	1,200	1,200	1,200
38	38	38	38	38	38
32	30	30	26	30	29
17	17	17	17	17	17
10	10	11	11	12	12
612	602	592	588	598	625
1,200	1,200	1,200	1,200	1,200	1,200
34	34	34	34	34	34
30	28	29	30	26	25
14	14	14	14	14	14
10	10	10	10.5	14.5	14.5
618	601	605	644	649	598
1,200	1,200	1,200	1,200	1,200	1,200
30	30	30	30	30	30
22	19	21	26	22	20
18	18	18	18	18	18
16	17	18	11	16	19

Perry Local School District, Lake County

**Operating Statistics
Last Ten Fiscal Years**

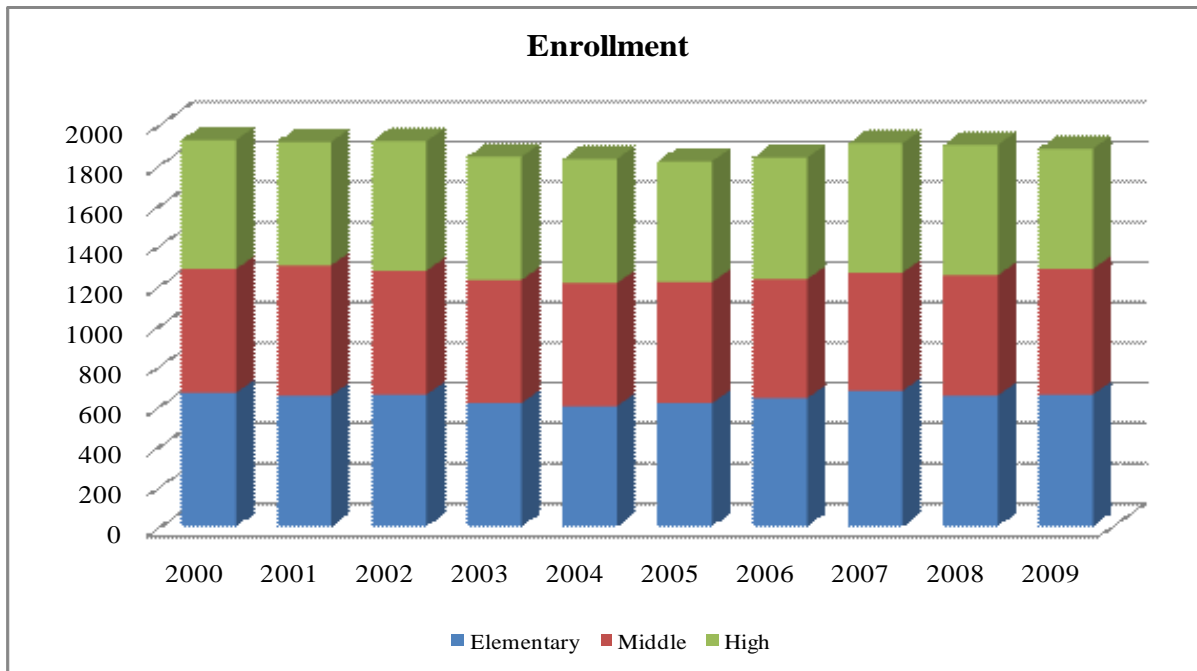
Fiscal Year	Student Enrollment		General Government		Governmental Activities (3)	
	Average Enrollment (1)	Percent of Change	Total Expenditures (2)	Per Pupil Cost	Total Expenses	Per Pupil Cost
2000	1,924	0.93%	26,708,125	13,882	N/A	N/A
2001	1,904	1.04%	27,675,923	14,536	N/A	N/A
2002	1,873	1.63%	28,444,162	15,186	N/A	N/A
2003	1,844	1.55%	26,667,368	14,462	30,176,838	16,365
2004	1,823	1.14%	28,193,254	15,465	31,332,196	17,187
2005	1,859	-1.97%	29,609,434	15,928	31,147,313	16,755
2006	1,834	1.34%	29,220,624	15,933	31,426,458	17,135
2007	1,904	-3.82%	32,023,411	16,819	34,252,231	17,990
2008	1,886	0.95%	30,332,273	16,083	33,482,903	17,753
2009	1,879	0.37%	26,258,239	13,975	30,585,183	16,277

Source: School District Records

- (1) Based upon EMIS information provided to the Ohio Department of Education
- (2) Debt Service expenditures and other financing uses have been excluded
- (3) The School District implemented GASB 34 in fiscal year 2003.

**Enrollment Statistics
Last Ten Fiscal Years**

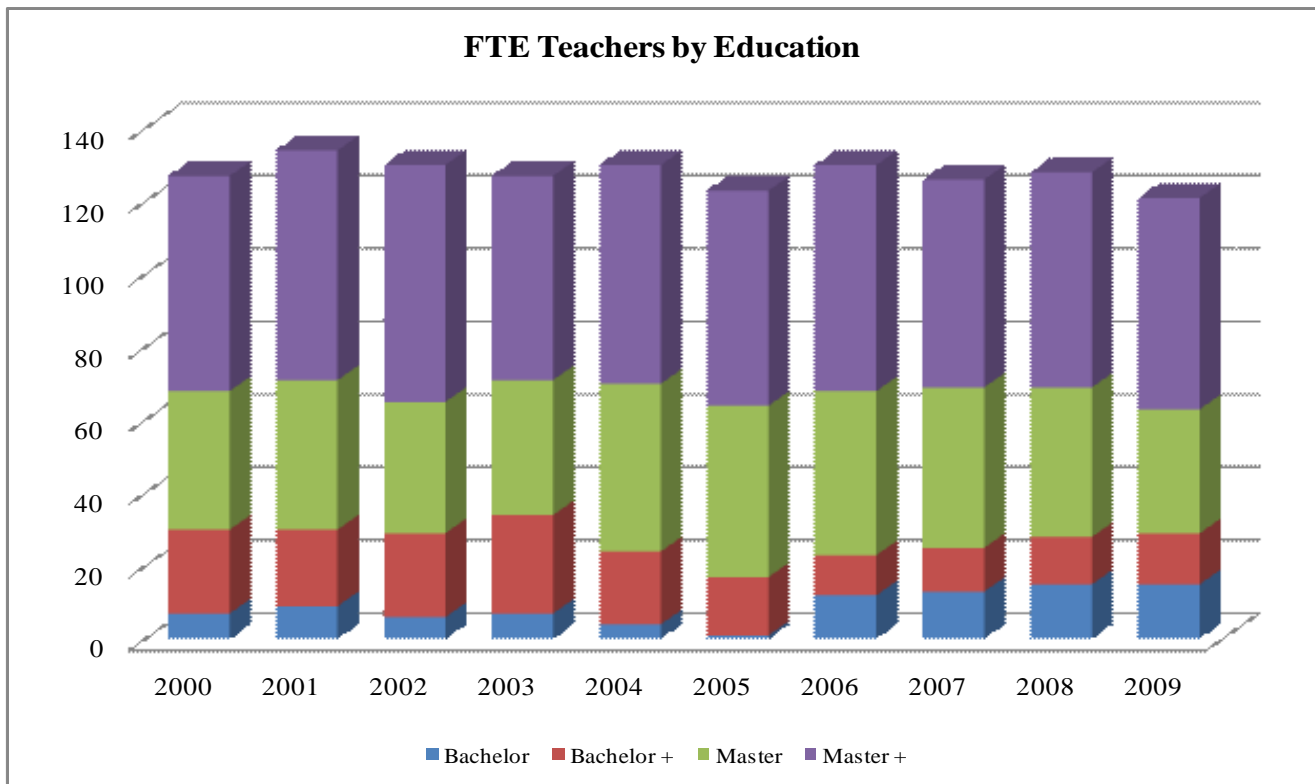
<u>Fiscal Year</u>	<u>Elementary School</u>	<u>Middle School</u>	<u>High School</u>	<u>Total</u>
2000	664	616	644	1,924
2001	651	648	605	1,904
2002	655	617	601	1,873
2003	614	612	618	1,844
2004	598	612	613	1,823
2005	613	602	644	1,859
2006	638	592	604	1,834
2007	674	588	642	1,904
2008	651	598	637	1,886
2009	656	625	598	1,879



Source: Ohio Department of Education

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

Degree	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Bachelor's Degree	7	9	6	7	4	1	12	13	15	15
Bachelor + 15	11	6	11	10	7	6	3	4	6	5
Bachelor + 30	12	15	12	17	13	10	8	8	7	9
Master's Degree	38	41	36	37	46	47	45	44	41	34
Master + 15	59	63	65	56	60	59	62	57	59	58
Total	127	134	130	127	130	123	130	126	128	121



Source: School District Records

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

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (2)</u>	<u>Average Salary Comparable Districts (3)</u>	<u>Statewide Average Salary (4)</u>
2002	\$ 32,846	\$ 70,882	\$ 47,088	\$ 43,755
2003	32,846	70,882	45,523	45,645
2004	32,846	70,882	49,058	47,658
2005	32,846	70,882	50,746	49,436
2006	32,846	70,882	51,168	50,771
2007	32,846	70,882	52,435	53,534
2008	32,846	70,822	N/A	53,410
2009	32,846	70,822	N/A	54,656

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

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

<u>Fiscal Year</u>	<u>Perry Average</u>	<u>State Average</u>
2000	17.1	18.1
2001	16.2	18.0
2002	15.8	16.9
2003	15.9	16.5
2004	17.0	18.5
2005	17.2	18.5
2006	16.3	18.6
2007	16.5	19.6
2008	16.4	18.6
2009	(1)	(1)

Source: Ohio Department of Education, EMIS Reports

(1) Fiscal year 2009 information was not available.

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

<u>Fiscal Year</u>	<u>Perry Attendance Rate</u>	<u>State Average</u>	<u>Perry Graduation Rate</u>	<u>State Average</u>
2000	96.10%	93.60%	97.20%	80.60%
2001	96.10%	93.90%	97.50%	81.10%
2002	95.90%	94.30%	99.20%	82.70%
2003	96.20%	94.50%	96.00%	84.30%
2004	96.20%	94.50%	97.20%	85.90%
2005	95.60%	94.30%	98.60%	86.20%
2006	96.00%	94.10%	100.00%	86.10%
2007	96.10%	94.10%	98.10%	86.90%
2008	96.00%	94.20%	94.90%	84.60%
2009	96.20%	94.30%	94.9	84.60

Source: Ohio Department of Education

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

Function/Program	2006	2007	2008	2009
Regular Instruction	80.00	76.00	78.00	74.00
Special Instruction	39.00	41.00	41.00	48.50
Pupil Support Services				
Special Education Supervisor	1.00	1.00	1.00	0.00
Guidance Counselors	4.00	4.00	4.00	4.00
Librarians	1.00	1.00	1.00	1.00
Psychologists	1.00	1.00	1.00	1.00
Speech and Language Pathologists	0.00	0.00	0.00	0.00
Nurses	2.00	2.00	2.00	2.00
Educational/Media Associates	25.00	22.00	21.00	21.00
Facilitators	3.00	1.00	1.00	1.00
Athletic Director	1.00	1.00	1.00	1.00
Administrators				
Elementary	2.00	2.00	2.00	2.00
Middle	2.00	2.00	2.00	1.00
High	2.00	2.00	2.00	2.00
District	5.00	6.00	4.00	5.00
Operation of Plant				
Supervision	1.00	1.00	1.00	1.00
Custodians	18.00	17.00	17.00	13.00
Maintenance	4.00	4.00	4.00	4.00
Pupil Transportation				
Supervision	1.00	1.00	1.00	1.00
Bus Operators	21.00	21.50	17.00	18.00
Bus Aides	4.00	5.50	2.00	3.00
Van Drivers	0.00	0.00	0.00	0.00
Bus Mechanics	2.00	2.00	2.00	2.00
Food Service Program	14.00	12.00	13.00	13.00
Administrative Support Services				
Secretary/Administrative Support	19.00	20.00	20.00	19.00
Information Technology	3.00	3.00	3.00	3.00

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

Source: District Records

(1) Information prior to 2006 is not available.

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

<u>School Year</u>	<u>Students</u>	<u>Students Applicable for Free Lunch</u>	<u>Percentage of Applicable Students for the Free Lunch Program</u>	<u>Students Applicable for Reduced Lunch</u>	<u>Percentage of Applicable Students for the Reduced Lunch Program</u>	<u>Total Students Applicable for the Free and Reduced Lunch Program</u>	<u>Total Percentage of Applicable Students for the Free and Reduced Lunch Programs</u>
2007	1,834	105	5.73%	224	12.21%	329	17.94%
2008	1,904	109	5.72%	130	6.83%	239	12.55%
2009	1876	238	12.69%	89	4.74%	327	17.43%

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



Russell - Grade 12



Erin - Grade 12



Gevin - Grade 4



Derek - Grade 7

Perry Local School District, Lake County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009



Mary Taylor, CPA
Auditor of State

PERRY LOCAL SCHOOL DISTRICT

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 24, 2009**