

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2004



**Auditor of State
Betty Montgomery**

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$123,027	\$0	\$123,027
National School Breakfast Program	05PU-2004	10.553	3,706	0	3,706	0
National School Lunch Program	LLP4-2004	10.555	136,303	0	136,303	0
Total U.S. Department of Agriculture - Nutrition Cluster			140,009	123,027	140,009	123,027
U.S. Department of Education						
<i>Passed Through Ohio Department of Education:</i>						
Title I, Part A	C1S1-2003	84.010	2,163	0	155	0
Title I, Part A	C1S1-2004	84.010	147,499	0	143,780	0
Total Title I, Part A			149,662		143,935	
Special Education Cluster:						
IDEA Part B	6BSF-2003P	84.027	6,488	0	8,324	0
IDEA Part B	6BSF-2004P	84.027	477,085	0	438,408	0
Subtotal IDEA Part B			483,573		446,732	
Preschool Disability Grant	PGD7-2003P	84.173	3,537	0	3,537	0
Preschool Disability Grant	PGS1-2004P	84.173	19,588	0	19,588	0
Subtotal Preschool Disability Grant			23,125		23,125	
Total Special Education Cluster			506,698	0	469,857	0
Eisenhower Math and Science	MS-S1-2003	84.281	(4,511)	0	72	0
Eisenhower Math and Science	MS-S1-2004	84.281	0	0	15	0
Total Eisenhower Math and Science			(4,511)	0	87	0
Drug Free School Grant	DRS1-2003	84.186	760	0	400	0
Drug Free School Grant	DRS1-2004	84.186	12,068	0	11,402	0
Total Drug Free School Grant			12,828	0	11,802	0
Title V - Innovative Programs	C2S1-2003	84.298	13,959	0	10,985	0
Title V - Innovative Programs	C2S1-2004	84.298	26,625	0	24,964	0
Total Title V - Innovative Programs			40,584	0	35,949	0
Title II-D Education Technology Grant	TJS1-2004	84.318	3,992	0	2,500	0
Title II, Part A - Teacher and Principal Training and Recruiting	TRS1-2003	84.367	14,994	0	4,538	0
Title II, Part A - Teacher and Principal Training and Recruiting	TRS1-2004	84.367	80,218	0	70,321	0
Total Title II, Part A - Teacher and Principal Training and Recruiting			95,212		74,859	
Assistive Technology Infusion Grants	ATS2-2002	84.352	(69)	0	0	0
Assistive Technology Infusion Grants	ATS3-2002	84.352	(334)	0	1,538	0
Total Assistive Technology Infusion Grant			(403)	0	1,538	0
Reducing Class Size	CRS1-2002	84.340	(102)	0	0	0
Title III - Limited English Proficiency Grant	T3S1-2004	84.365	15,949	0	12,903	0
Total U.S. Department of Education			819,909	0	753,430	0
Total Federal Financial Assistance			\$959,918	\$123,027	\$893,439	\$123,027

The accompanying notes to this schedule are an integral part of this schedule.

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2004**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2004, the District had no significant food commodities in inventory.

NOTE C – FEDERAL TRANSFERS

Funds were transferred from Federal CFDA #84.281 to #84.367 in the amount of \$4,511, because the Ohio Department of Education discontinued the program. This caused a negative receipt in the Fund that transferred the money.

N/A – Not Applicable

CFDA – Catalog of Federal Domestic Assistance



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Education
Brecksville-Broadview Heights City School District
Cuyahoga County
6638 Mill Road
Brecksville, Ohio 44141

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and objective of our audit and, accordingly, we do not express such an opinion. The results of our tests grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an disclosed no instances of noncompliance that we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the District's management in a separate letter dated October 25, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the District's management in a separate letter dated October 25, 2004.

This report is intended for the information and use of the audit committee, management, the Board of Education, 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 25, 2004



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Brecksville-Broadview Heights City School District
Cuyahoga County
6638 Mill Road
Brecksville, Ohio 44141

Compliance

We have audited the compliance of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District'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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District'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 District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the District 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 District's internal control over compliance with 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 25, 2004. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures 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 for the information and use of the audit committee, management, Board of Education, 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.



Betty Montgomery
Auditor of State

October 25, 2004

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster (10.550, 10.553, 10.555) Title I (84.010)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	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

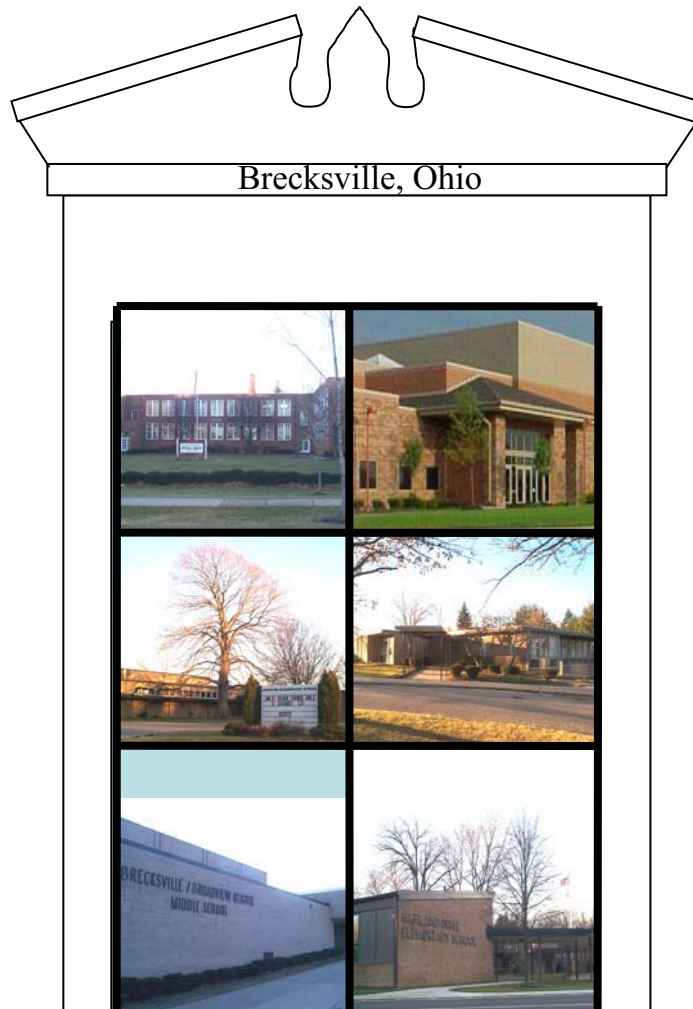
None

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2004**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <u>Explain:</u>
2003-001	The Athletic Department collected \$11,250 for a coupon card sale in which 50% or \$5,625 was retained by the District and 50% or \$5,625 was retained by the company issuing the coupon cards. The Athletic Department turned in \$4,898 to be deposited into the local depository and withheld \$727 that was not deposited with the Treasurer or with a properly designated depository on the next business day following the day of receipt. The \$727 cash collected was given to the Athletic Boosters and was used to purchase a sound system for the football team locker room.	Yes	Isolated incident. During testing of fiscal year 2004, we did not note any activities that retained funds.
2003-002	During fiscal year 2003, the District Student Activity Advisor rubber stamped the Treasurer's signature on all student activity checks which amounted to \$184,073.	Yes	
2003-003	The District does not have a Board policy requiring all student activity advisors to complete and submit a Final Summary Report for each fund raising event or student activity. This increases the risk that Management and the Board may not be able to detect differences between actual and planned activity.	Yes	

*Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2004*



**Brecksville- Broadview
Heights School District**

“where fine education is a heritage”

Brecksville-Broadview Heights
City School District

Brecksville, Ohio

Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2004



Prepared by:

Karen E. Obratil, Treasurer



Introductory Section

Brecksville-Broadview Heights City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
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Brecksville-Broadview Heights City School District

6638 Mill Road • Brecksville, Ohio 44141 • (440) 740-4000

“where fine education is a heritage”

October 25, 2004

Board of Education Members and
Residents of Brecksville-Broadview Heights City School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Brecksville-Broadview Heights City School District (the “School District”) for the fiscal year ended June 30, 2004. This CAFR, which includes an opinion from the State Auditor, conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of Brecksville-Broadview Heights City School District with comprehensive financial data in a format enabling them to gain an understanding of the School District’s financial affairs. Copies will be made available to the Cuyahoga County Public Library, major taxpayers, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District and a GFOA Certificate of Achievement.

The Financial Section begins with the Independent Accountants’ Report and includes Management’s Discussion and Analysis, the Basic Financial Statements and Notes that provides an overview of the School District’s financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.

The Statistical Section presents social, economic and demographic information, financial trends and the fiscal capacity of the School District.

School District Organization

Brecksville-Broadview Heights City School District is one of 613 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District provides education to 4,666 students in preschool through twelfth. Geographically, the School District encompasses the entire City of Brecksville, all but the southwestern portion of the City of Broadview Heights and a small section of the City of North Royalton. The School District’s total area is approximately 27 square miles.

The growing suburban communities of Brecksville and Broadview Heights are located fifteen miles south of downtown Cleveland and eighteen miles north of Akron.

The students enrolled in the Brecksville-Broadview Heights City School District attend classes in one high school (9-12), one middle school (6-8), one elementary school (4-5) and three elementary schools (K-3). A new 295,000 square foot high school opened in the fall of 1997. Vocational students attend the Cuyahoga Valley Career Center, which is located in Brecksville, and operates as a separate entity from the School District.

An elected five-member Board of Education (the “Board”) serves as the taxing authority and policy maker for the School District. The Board adopts an annual tax budget and an annual appropriation resolution which serves as the basis for control over and authorization for all expenditures of School District funds. The Board directly approves all personnel-related expenditures.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Treasurer is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds and investing idle funds as permitted by Ohio law.

Reporting Entity

The School District has reviewed its operating 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 all agencies, departments and organizations making up the Brecksville-Broadview Heights City School District (the primary government) and its potential component units.

The City of Brecksville, City of Broadview Heights, Cuyahoga County Public Library, Parent Teacher Association and the Brecksville-Broadview Heights Schools Foundation have not been included in the accompanying financial statements. The boards are not appointed by the School District, nor are the organizations fiscally dependent on the School District.

Lakeshore Northeast Ohio Computer Association, Cuyahoga Valley Career Center, the Ohio Schools’ Council and Suburban Health Consortium are reported as jointly governed organizations and a risk sharing pool. The School District participates in the Ohio School Boards Association Workers’ Compensation Group Rating Plan, an insurance purchasing pool.

Statutorily, the School District operates under the standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services prescribed by State and Federal agencies.

Economic Condition and Outlook

The School District is located in a residential area with limited industrial and commercial facilities. The valuation increase for the period 1994 through 2003 was an average of 4.71 percent annually including updates and reappraisals. All new construction is closely monitored. Considerable residential development has been occurring and is continuing to be planned within the School District. Enrollment for the 1995 school year was 3,660. Enrollment for the 2004 school year was 4,666. During the past five years the School District has experienced enrollment growth averaging 3 percent. The enrollment projections indicate that the growth will continue. Student enrollment projections for the 2009 school year indicate enrollment of 5,225.

The School District, along with many other public school systems in the State, still faces some difficult economic situations in the future since the primary funding source is property tax revenue. Ohio law limits growth in real estate tax revenues by reducing millage as assessed values increase. This keeps revenues from each levy relatively constant. Cuyahoga County experienced a triennial update in 2003 and property values increased. The School District realized additional revenue from the increased property values on its inside

millage of 4.69 mills. Although the School District has received additional revenue from the valuation growth on its 4.69 inside mills and new construction within the School District, the increased expenditures from inflationary pressures and the enrollment growth have somewhat outpaced the additional revenue. The School District's administration is closely monitoring the cost of operations and continues to look for cost savings opportunities and new funding sources in order to maintain the quality educational services that the School District has been accustomed to providing.

Public utility deregulation went into effect in January 2002 and caused a \$13,000,000 decrease in public utility property valuations resulting in a tax revenue loss in excess of \$1,000,000. In response to the deregulation legislation, legislatures enacted a "hold harmless" clause for school districts for a period of five years. The School District received \$607,000 from the State under this provision of the law.

State funding, specifically funding for general operations, remains unclear for future years. In March 1997, the Ohio Supreme Court ruled the present system of funding Ohio schools to be unconstitutional. The State legislature was directed to adequately fund schools without reducing funds to tax dependent schools such as Brecksville-Broadview Heights City Schools. Since the primary local source of funding Ohio schools is the property tax, the foundation formula was originally intended to compensate for the large differences in property values found throughout the State by allocating State funds based on property valuation per pupil. Modifications to the allocation formula over the years have failed to adequately subsidize school districts with lower property valuations.

It is generally understood that the State's school funding remedy will greatly benefit low wealth school districts. As a high-wealth district, the most likely outcome for the School District from a restructured system of school funding is to maintain current levels of State funding. The School District is a member of the Alliance for Adequate School Funding, an organization of wealthy school districts working for a funding solution that takes a "hold harmless" approach. The Alliance advocates a solution that will provide for needy schools, avoid the "Robin Hood" effect of taking from wealthy districts to provide for the poorer ones and address the negative effects of House Bill 920 (H.B. 920). H.B. 920, passed by the Ohio legislature in 1976, prohibits the inflationary growth of revenue generated by tax issues. When inflation increases the worth of taxable property in the School District, tax rates are reduced so income, or voted dollars, will remain about the same.

The School District attributes much of its past educational success to the community's demand for, and support of, both a traditional and quality school system. Regardless of the improvements made to Ohio's method of funding public education, our School District always will remain accountable to the residents and taxpayers who make the School District their school system of choice.

Educational Program

During the 2004 school year, the School District's curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and vocational programs. The School District offers twelve advanced placement courses at the high school. Test scores indicate students are achieving higher than state and national averages. The School District is among an elite group of 23 school districts that earned the highest rating on the State of Ohio District Report Card for six consecutive years and received a perfect score for five out of the six years. The 2004 graduating class exceeded or tied all time high scores on both the American College Test (ACT) and the Scholastic Aptitude Test (SAT). Both test scores continued to improve for the third consecutive year. The mean SAT scores earned by graduating seniors was 560 for verbal and 565 for math. The mean scores for the State of Ohio were 538 for verbal and 542 for math. National mean scores were 508 for verbal and 518 for math. The composite score for the graduating seniors taking the ACT was 23.6, which tied the record set by the Class of 1994. However, an additional 47 students took the ACT this year compared to 1994. The School District's composite is well above the Ohio composite of 21.4 and the national composite of 20.9. This year, the School District had six semi-finalists and six commended scholars in the National Merit Scholarship Program.

A full range of extracurricular programs and activities are available to students beginning in the elementary grades. A complete competitive athletics program is offered beginning in the seventh grade at the middle school.

The School District's staff includes four certified librarians, five full time and three part time speech and language pathologists and four full time and one part time psychologists. Services of an occupational/physical therapist are contracted out.

The School District employs thirty-nine teachers and forty teacher aides to work with special needs' students. The Cuyahoga Valley Career Center (Career Center) provides a work study coordinator for students with special needs at the secondary level. Talented and gifted instruction is available to all students and supervised by a part time County Educational Center coordinator.

All teachers and students have access to the Internet through Lakeshore Northeast Ohio Computer Association (LNOCA), the School District's data acquisition site.

Proficiency Intervention was offered to students in grades 4 through 12. A summer intervention academy was offered to students in grades 3 through 6.

More than 91 percent of the School District's high school graduates indicate they intend to continue their education at the University and College level, 77 percent at four-year colleges and 14 percent at two-year colleges. The School District offers approximately 190 courses at the high school level and 50 course offerings are available at the Career Center. Students have been recognized as Commended Students, Semifinalists or Finalists in the National Merit Scholarship Program for the past 44 consecutive years.

The School District's Interactive Distance Learning Lab at the high school offered eleven on-line courses providing students with opportunities to take classes taught in other school districts and colleges in northeastern Ohio.

Financial Accomplishments

The Brecksville-Broadview Heights City School District, like many school districts in Ohio, is financially challenged and has a cautious outlook for the future. In November 2003, the School District placed a 7.6 mill dual purpose levy for a continuing period of time on the ballot with 2 mills designated for permanent improvements and 5.6 mills designated for operating expenses. This levy would have generated \$6,771,602 annually with half of the tax collections beginning in January 2004. This levy was defeated by a significant margin of 58 percent. In response to the economic environment experienced in the communities, the School District reduced the millage to 6.3 mills for a five year period of time and placed the levy on the ballot in March 2004 with 1 mill designated for permanent improvements and 5.3 mills designated for operating expenses. Because of the delay in the tax collection for one year, the reduction in millage and a decline in personal tangible property taxes, the School District made \$4,500,000 in staff and program reductions and increased fees. This levy was defeated by 37 votes. Because the financial needs of the School District are real, the 6.3 mill dual purpose levy was again placed on the ballot for August, 2004 and it was approved by the communities. Even with the passage of the levy, some staffing and program reductions will remain in force because of the timing of the tax collections and the scheduling of the classes.

The School District continues to convert all usable space into classrooms for the students; however, classroom space continues to be a challenge for the School District because of the enrollment growth. To respond to this challenge, the School District has leased classroom space from the United Church of Christ adjacent to Central School.

In April, the School District capitalized on historical low interest rates and a unique financing structure that is a first for an Ohio school district. The transaction included a forward purchase agreement for a series of bond anticipation notes that will carry a variable interest rate. In addition, the School District entered into a fixed rate swap agreement that limits the School District's exposure to the potential of rising interest rates.

The School District authorized the issuance of a one-year renewable \$773,000 Energy Conservation Improvement Note at an interest rate of 1.77 percent. With the note proceeds and a transfer from the general fund, the School District paid off the \$998,000 Energy Conservation Improvement Note issued in 2003. The general fund transfer was made possible from the savings as a result of the energy conservation project that replaced windows, boilers and lighting throughout the School District.

The School District entered into a lease purchase agreement in the amount of \$1,830,000 for the purpose of constructing a transportation and maintenance facility on land that the School District purchased in the City of Broadview Heights.

For the sixth consecutive year, the School District received the Certificate of Excellence in Financial Reporting from the Government Finance Officer's Association (GFOA).

Community

The School District has developed cooperative working relationships with the businesses and churches in the community through the Partnership in a Healthy Community program and participation in the Business Advisory Council.

The Brecksville-Broadview Heights School Foundation provides grants for students and staff for education and instructional programs.

The School District developed a long range plan with input from the community. Through a series of telephone interviews, written surveys and focus groups, the School District assessed community opinions and attitudes regarding the quality of education, the kind of job the schools do with their money and the cost/quality value of the schools. Perceptions of such things as the condition of the school buildings, increasing enrollment, cost of education, extracurricular activities and sources of information about the School District were also explored.

As a result of this process, the School District formed five long range planning teams dealing with finances, facilities, teaching, learning and communications. Administrators, staff and community members continue to work on these teams. The Board of Education approved all of the plans except facilities. The facilities plan involved recommendations for the construction of a new school building. The Board of Education did not want to pursue a bond issue at this time.

As a result of the finance planning team, a committee was formed of community members with financial expertise to review the School District's finances and to validate financial decisions made by the School District. This Financial Activities Communications Team (FACT) meets on a monthly basis and will continue to serve as an integral part of the School District's financial planning. A FACT finding report was prepared by the group and presented to the Board of Education.

Financial Information

Internal Accounting and Budgetary Control In developing the School District's accounting and internal control system, the Treasurer has considered the adequacy of internal accounting controls 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 evaluation of costs and benefits requires estimates and judgments by management. Management believes that the internal controls adequately meet the above objectives.

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

In accordance with Statute, the Board of Education adopted a temporary appropriation measure on June 26, 2003, to allow the School District to operate until its annual appropriations were adopted. The Board of Education adopted the permanent appropriation measure on September 15, 2003. The legal level of budgetary control is at the fund level. The appropriation measure may be amended or supplemented during the years as new information becomes available. Management controls the budget in their building or department and may transfer funds within their individual budgets throughout the year. The final appropriation measure was approved by the Board of Education on June 28, 2004.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. All requisitions for purchases must be approved by the building/department administrator, Director of Business Affairs and be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriations are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

All building and department administrators have access to an on-line inquiry system and are capable of printing monthly financial reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

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

Financial Condition This is the fourth year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new 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 has no 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 a 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 this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion appears after the Independent Accountants' Report in the financial section of this report. Management's Discussion and Analysis provides an assessment of the School District's finances for fiscal year 2004. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

Financial Highlights – Internal Service Fund The only internal service fund carried on the financial records of the School District is related to self-insurance. This fund accounts for the revenues and expenses related to the provision of prescription drug benefits to School District employees. The internal service fund had net assets of \$349,474 at June 30, 2004.

Cash Management

The School District pursues an aggressive cash management program by expediting the receipt of revenues and prudently depositing and investing available cash balances. Temporarily idle cash during the year was invested in demand deposits, State Treasury Asset Reserve of Ohio (STAROhio) and repurchase agreements. The School District earned interest revenue of \$108,680 in governmental funds for the fiscal year ended June 30, 2004, \$107,523 being credited directly to the general fund. The School District's deposits are either insured by federal depository insurance or collateralized in accordance with the requirements of the State of Ohio.

Risk Management

The School District established an internal service fund to account for and finance its prescription drug plan through Caremark. Claims are paid weekly by the School District. For more information, please see Note 9 to the basic financial statements.

General liability insurance is carried with Indiana Insurance through the Ohio Schools Council and has limits of \$2,000,000 for each occurrence and \$5,000,000 general aggregate, with a deductible of \$1,000, including employee benefit liability limits, qualified school groups, and employers' liability. The property insurance is carried with Indiana Insurance Company through the Ohio Schools' Council. Crime policy is carried with Indiana Insurance Company and has a policy limit of \$250,000 and a deductible of \$1,000. Boiler and machinery coverage is carried with Travelers Insurance Company and has a limit of \$30,000,000 and a deductible of \$1,000. The fleet insurance is carried with Indiana Insurance through the Ohio Schools' Council and has a \$2,000,000 limit.

The School District is part of a state-wide plan for workers' compensation insurance coverage and pays the premium based on a rate per \$100 of salaries. The School District is a member of Ohio School Boards Association Workers' Compensation Group Rating Program.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2004. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Certificate of Achievement Program

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Brecksville-Broadview Heights City School District for its comprehensive annual financial report for the year ended June 30, 2003.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for review.

Acknowledgements

This Comprehensive Annual Financial Report was made possible by the diligence of the staff of the Treasurer's Office. Their initiative and conscientious work ensured the integrity of the information contained herein and guaranteed this report's successful completion.

Finally, our thanks are extended to the Board of Education for their support in recognizing the importance of continuously improving our financial accountability to our citizens through the implementation of GASB 34, the new financial reporting model and their commitment to excellence by showing that Brecksville-Broadview Heights City School District is a place "where fine education is a heritage." As pianist Keith Jarrett has said, "The only standards worth having are the highest."

Respectfully submitted,



Karen E. Obratil
Treasurer



Steven L. Farnsworth
Superintendent

Brecksville-Broadview Heights City School District

Principal Officials

Board of Education

Mr. Clark Rechkemmer President
Mrs. Ann Rittman Vice President
Mr. George Balasko Member
Mrs. Terri Neff Member
Mr. Alan Scheufler Member

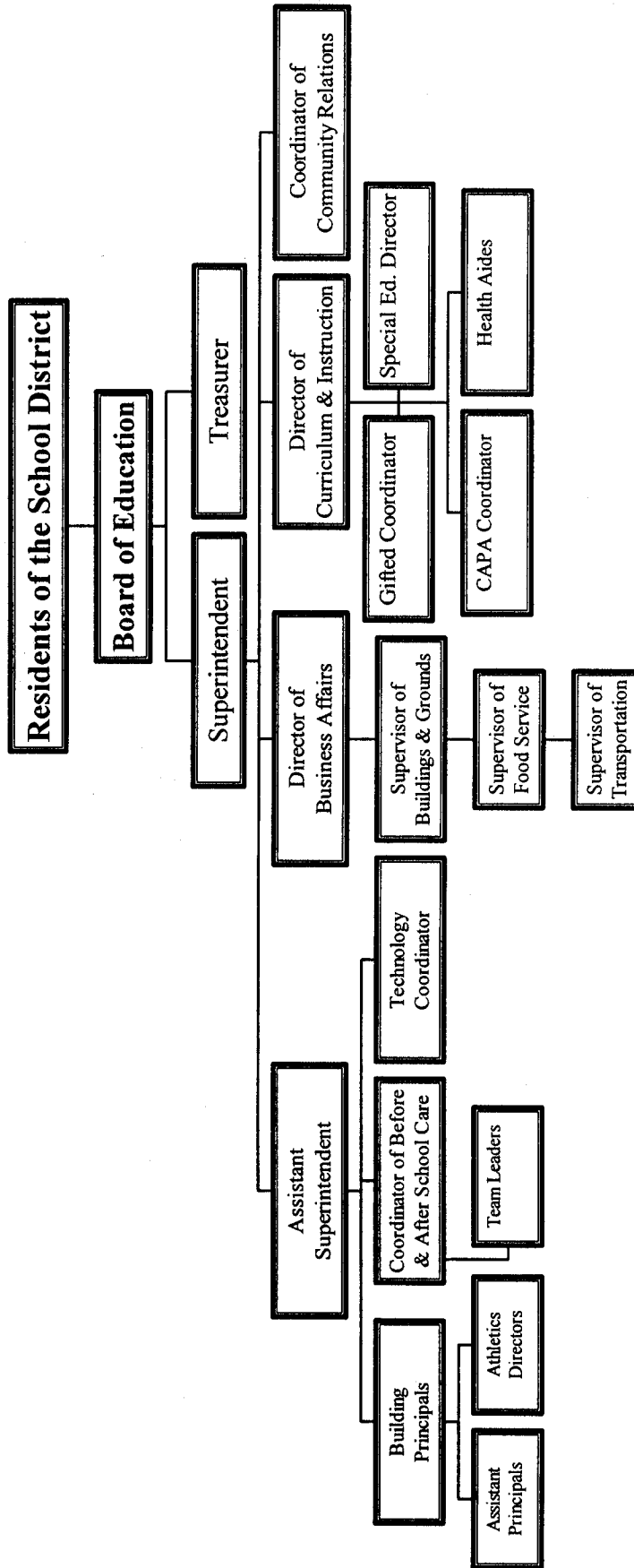
Treasurer

Mrs. Karen E. Obratil

Administration

Mr. Steven L. Farnsworth..... Superintendent
Mr. Mark Robinson Assistant Superintendent
Mr. Paul Cevasco Director of Business Affairs
Ms. Carla Calevich Director of Curriculum & Instruction
Ms. Cathy Harbinak Coordinator of Community Relations

Brecksville-Broadview Heights City School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Brecksville-Broadview
Heights City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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

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Financial Section



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANT'S REPORT

Board of Education
Brecksville-Broadview Heights City School District
Cuyahoga County
6638 Mill Road
Brecksville, Ohio 44141

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. 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.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

October 25, 2004

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

The discussion and analysis of Brecksville-Broadview Heights City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2004. The intent of this 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 2004 are as follows:

- In total, net assets of governmental activities increased \$2,081,895 which represents a 33 percent increase from 2003.
- General revenues accounted for \$43,276,839 in revenue or 90.6 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,494,065 or 9.4 percent of total revenues of \$47,770,904.
- Total assets of governmental activities increased by \$1,324,607, or 1.68 percent but was offset by a decrease of \$806,329 in depreciable capital assets.
- The School District had \$45,689,009 in expenses related to governmental activities; only \$4,494,065 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$43,276,839 was sufficient to cover the costs of these programs. In August of 2004, the communities approved a 6.3 mill dual purpose levy after two failed attempts.
- Among major funds, the general fund had \$40,716,410 in revenues and \$38,715,928 in expenditures. The general fund's fund balance at June 30, 2004 is \$1,801,333, which increased by \$1,742,583. This is primarily due to an increase of \$2,036,310 in the amount of tax revenue available as an advance to the School District from the County Auditor.

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 Brecksville-Broadview Heights City 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 Brecksville-Broadview Heights City School District, the general fund is by far the most significant fund.

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the 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 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets and 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.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental Activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. None of the School District's programs are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. 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 bond retirement debt service 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 fiscal 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 the Statement of Activities) and governmental funds is reconciled in the financial statements.

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table I provides a summary of the School District's net assets for 2004 compared to 2003.

Table I
Net Assets
Governmental Activities

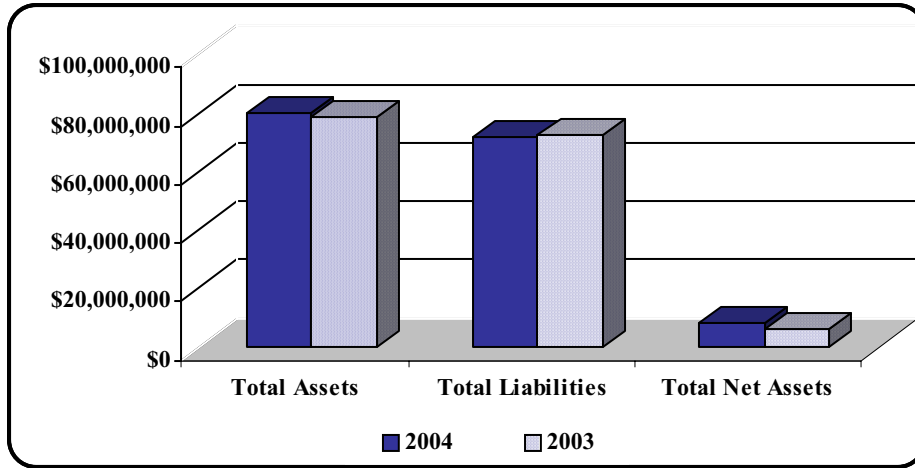
	<u>2004</u>	<u>2003</u>
Assets		
Current and Other Assets	\$43,180,994	\$42,197,407
Capital Assets	<u>37,090,334</u>	<u>36,749,314</u>
Total Assets	<u>80,271,328</u>	<u>78,946,721</u>
Liabilities		
Current Liabilities	35,662,626	37,282,656
Long-Term Liabilities		
Due within One Year	2,011,516	1,537,103
Due in More than One Year	<u>34,208,727</u>	<u>33,820,398</u>
Total Liabilities	<u>71,882,869</u>	<u>72,640,157</u>
Net Assets		
Invested in Capital Assets		
Net of Related Debt	5,063,402	3,409,804
Restricted for:		
Capital Projects	50,217	758,863
Debt Service	3,225,770	2,926,552
Other Purposes	409,443	474,238
Unrestricted (Deficit)	<u>(360,373)</u>	<u>(1,262,893)</u>
Total Net Assets	<u>\$8,388,459</u>	<u>\$6,306,564</u>

Graph 1
Net Assets Governmental Activities

	<u>2004</u>	<u>2003</u>
Total Assets	\$80,271,328	\$78,946,721
Total Liabilities	71,882,869	72,640,157
Total Net Assets	8,388,459	6,306,564

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*



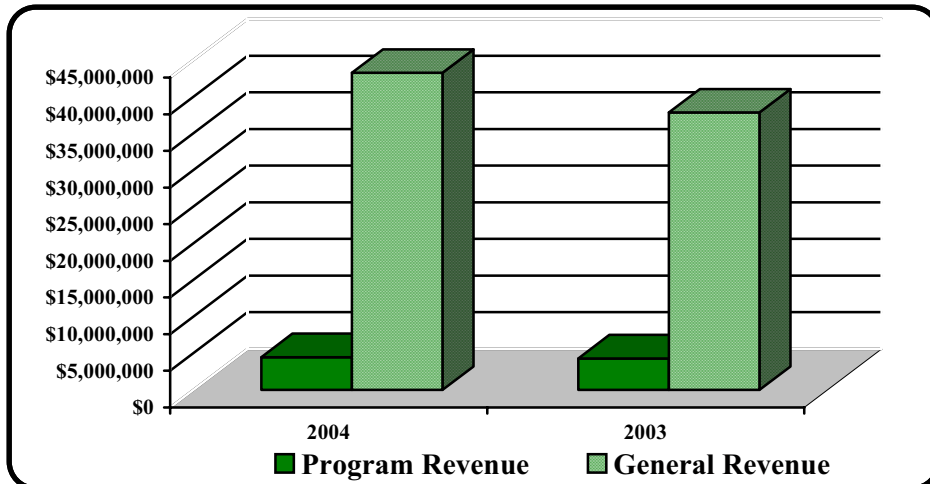
Total assets increased \$1,324,607, or 1.68 percent. Nondepreciable capital assets increased \$1,147,349 but was offset by a decrease in depreciable capital assets of \$806,329.

Liabilities for governmental activities decreased by \$757,288. This decrease resulted from a reduction in deferred revenue and notes payable.

The net impact was an increase of net assets of the School District's governmental activities in the amount of \$2,081,895. The balance in net assets capital projects decreased \$708,646 due to accounts payable for the construction of a new maintenance and transportation facility.

Graph 2
Revenue for Governmental Activities

	<u>2004</u>	<u>2003</u>
Program Revenue	\$4,494,065	\$4,296,593
General Revenue	43,276,839	37,844,382

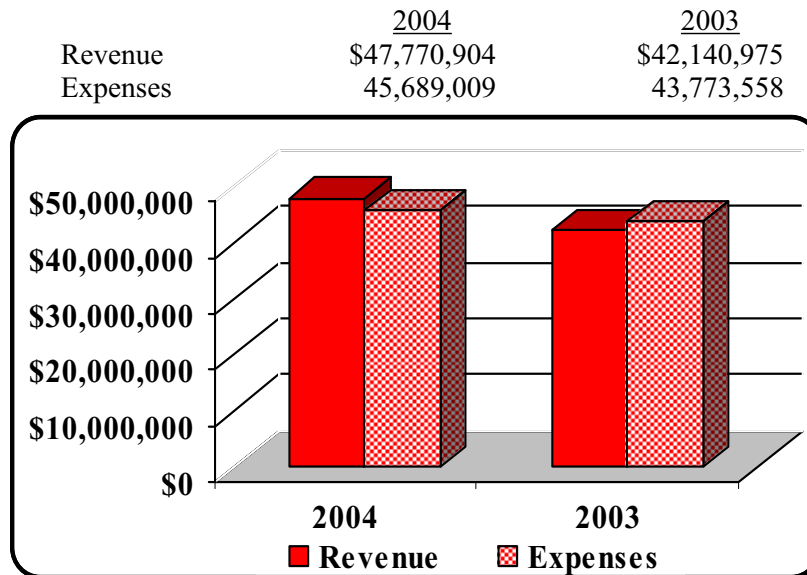


Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

While program revenue increased for governmental activities from \$4,296,593 to \$4,494,065, the majority of the revenue supporting governmental activities is general revenue. General revenue increased from \$37,844,382 in 2003 to \$43,276,839 in 2004. This majority of the increase is due to the amount of tax revenue available to advance the School District from the county auditor increasing \$2,275,136. General revenue comprised 90.6 percent of revenue supporting Governmental Activities.

Graph 3
Revenues and Expenses for Governmental Activities



Program expenses increased from \$43,773,558 in 2003 to \$45,689,009 in 2004, a 4.4 percent increase. Much of this increase was a result of increased enrollment. Enrollment increased by 101 students resulting in the need to hire additional staff. Overall, twelve certified positions were added, seven for regular instruction and five for special instruction. Special instruction expenses increased 15 percent over fiscal year 2003, or \$573,188. Instructional staff expenses increased \$305,427 due to an increase in special education aides. Business expenses increased by 73.68 percent due to the prior year capitalization of the districtwide telecommunications system. The largest governmental activities program expense remains instruction, comprising 53.7 percent of expenses. When combined with pupil and instructional support these categories make up 63.9 percent of expenses.

Table 2 shows the changes in net assets for fiscal year 2004. Since this is the fourth year the School District has prepared financial statements following GASB Statement 34, revenue and expense analysis of government-wide data compares fiscal year 2004 to fiscal year 2003.

Brecksville-Broadview Heights City School District*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*Table 2
Change in Net Assets
Governmental Activities

	2004	2003
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$2,798,866	\$2,772,830
Operating Grants	1,667,142	1,299,682
Capital Grants	28,057	224,081
Total Program Revenues	4,494,065	4,296,593
<i>General Revenues:</i>		
Taxes	33,436,582	28,402,224
Intergovernmental	9,624,223	9,194,466
Payment in Lieu of Taxes	17,848	41,722
Unrestricted Contributions	5,942	0
Interest	108,023	188,124
Gain on Sale of Capital Assets	6,988	0
Miscellaneous	77,233	17,846
Total General Revenues	43,276,839	37,844,382
Total Revenues	47,770,904	42,140,975
Program Expenses		
<i>Instruction:</i>		
Regular	19,768,980	18,461,540
Special	4,395,982	3,822,794
Vocational	361,984	361,761
Adult/Continuing	13,408	28,314
<i>Support Services:</i>		
Pupil	2,675,443	2,552,380
Instructional Staff	2,020,968	1,715,541
Board of Education	48,449	99,981
Administration	2,988,642	3,027,354
Fiscal	797,836	723,931
Business	470,997	271,185
Operation and Maintenance of Plant	4,166,381	4,507,956
Pupil Transportation	2,682,909	2,707,920
Central	203,397	203,997
Operation of Non-Instructional Services	405,875	432,703
Food Service Operations	1,382,785	1,325,944
Child Care Operations	420,852	476,648
Extracurricular Activities	932,358	1,019,536
Interest and Fiscal Charges	1,951,763	2,034,073
Total Program Expenses	45,689,009	43,773,558
Increase (Decrease) in Net Assets	2,081,895	(1,632,583)
Net Assets Beginning of Year	6,306,564	7,939,147
Net Assets End of Year	\$8,388,459	\$6,306,564

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.00 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed.

Thus school districts dependent upon property taxes are 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 70 percent of revenues for governmental activities for Brecksville-Broadview Heights City School District in fiscal year 2004.

Instruction comprises 53.7 percent of governmental program expenses. Support services for pupils and instructional staff comprise 10.3 percent. Administrative expenses are 9.4 percent of the governmental program expenses.

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

Table 3
Total and Net Cost of Program Services
Governmental Activities

	2004		2003	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$24,540,354	(\$23,074,775)	\$22,674,409	(\$21,196,046)
Support Services				
Pupil and Instructional Staff	4,696,411	(4,382,587)	4,267,921	(4,020,886)
Board of Education, Administration, Fiscal and Business	4,305,924	(4,251,882)	4,122,451	(4,063,513)
Operation and Maintenance of Plant	4,166,381	(4,110,361)	4,507,956	(4,439,707)
Pupil Transportation	2,682,909	(2,626,743)	2,707,920	(2,546,248)
Central	203,397	(199,383)	203,997	(200,182)
Operation of Non-Instructional Services	405,875	21,336	432,703	(38,714)
Food Service Operations	1,382,785	(78,246)	1,325,944	(170,959)
Child Care Operations	420,852	43,339	476,648	14,390
Extracurricular Activities	932,358	(583,879)	1,019,536	(781,027)
Interest and Fiscal Charges	1,951,763	(1,951,763)	2,034,073	(2,034,073)
Total	<u>\$45,689,009</u>	<u>(\$41,194,944)</u>	<u>\$43,773,558</u>	<u>(\$39,476,965)</u>

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

The dependence upon tax revenues for governmental activities is apparent. Over 94 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities, general revenue support is 90.6 percent. The community, as a whole, is by far the primary support for Brecksville-Broadview Heights City School District students.

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$48,357,089 and expenditures of \$46,978,989. The net change in fund balance for the year was most significant in the General Fund, an increase of \$1,742,583. This increase occurred due to the county auditor having a significant amount of tax revenue available to advance to the School District as of June 30, 2004. Overall, the nonmajor funds increased by \$1,266,922. This change occurred in the capital projects funds due to receipt of the proceeds from the capital lease to construct the transportation and maintenance facility in the amount of \$1,830,000.

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 fund is the general fund, the School District's operational fund.

During the course of fiscal year 2004, the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to control total site-based budgets but provide flexibility for site-based management.

For the general fund, the actual revenue was \$38,123,690, \$77,179 above original budget estimates of \$38,046,511. Most of this difference was due to initial conservative tax estimates. Final estimated revenue was based upon County Auditor's certificate of estimated resources.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$39,303,336, \$1,316,973 under original budget estimates of \$40,620,309. Excess of actual revenues under expenditures is \$1,179,646.

The School District's ending unobligated fund balance was \$1,641,193 above the final budget amount. This result was primarily due to the staff and budgetary reductions initiated during the fiscal year due to the failure of two levy attempts.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2004, the School District had \$37,090,334 invested in land, buildings and improvements, equipment, vehicles, textbooks and construction in progress. Table 4 shows fiscal year 2004 balances compared to fiscal year 2003.

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

Table 4
Capital Assets at June 30
Net of Depreciation
Governmental Activities

	2004	2003
Land	\$3,209,781	\$2,830,407
Buildings and Improvements	28,703,925	29,304,573
Furniture and Equipment	2,770,766	3,081,257
Vehicles	984,299	910,713
Textbooks	653,588	622,364
Construction in Progress	767,975	0
Total Capital Assets	<u>\$37,090,334</u>	<u>\$36,749,314</u>

For fiscal year 2004, land increased by \$379,374 due to the purchase of property in Broadview Heights for the construction of a transportation and maintenance facility. The School District purchased four new school buses accounting for the increase in vehicles. These increases were offset by an increase in annual depreciation. Construction in progress increased due to the construction of a transportation and maintenance facility that began in May and is expected to be completed by mid-October. This facility is being constructed on the land purchased in the City of Broadview Heights. Ohio law required school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional materials and supplies. For fiscal year 2004, this amounted to \$637,025 for each set aside. Textbook purchases increased by \$31,224 due to the increased enrollment of 101 students that was offset by annual depreciation. See Note 10 for capital asset information.

Debt

At June 30, 2004, the School District had \$30,828,317 in bonds outstanding and \$2,586,500 in notes outstanding. Table 5 summarizes bonds and notes outstanding:

Table 5
Outstanding Debt at Year End
Governmental Activities

	2004	2003
General Obligation Bonds:		
1986 Stadium Complex	\$140,000	\$210,000
1996 New High School	30,515,000	31,435,000
Manuscript Bonds		
2002 Real Estate Acquisition	173,317	191,817
Notes Payable:		
2001 Tax Anticipation	865,000	1,700,000
2003 HB264 Energy Note	773,000	998,000
Total	<u>\$32,466,317</u>	<u>\$34,534,817</u>

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

The 1986 Stadium Complex bond issue was approved in the amount of \$1,350,000 for the purpose of adding to, renovating, rehabilitating, constructing, furnishing, and equipping athletic facilities and improving their sites. In 1996 the School District passed a 3.97 mill bond issue, providing \$36,000,000 for constructing, furnishing and equipping a new high school and renovating, improving, furnishing and equipping school facilities and their sites.

In fiscal year 2001 the School District issued a real estate acquisition bond in the amount of \$209,500 payable over a ten -year period for the purchase of property on Old Highland Drive adjacent to Central School.

In 2001 the School District issued tax anticipation notes after the passage of a 6.9 mill operating levy in February of 2001 to ensure the financial stability of the School District until the tax revenue would be received.

The School District also issued a one-year renewable energy conservation note in the amount of \$773,000. Note proceeds plus a transfer of funds from the general fund were used to pay off the \$998,000 energy conservation note issued in 2003. In 2001 the School District issued a \$1,270,000 energy conservation note used to replace windows, boilers and lighting in order to provide energy efficiencies and savings. See Notes 14 and 18 for detailed long term and short term debt information.

In 2004 the School District entered into an agreement with Bank One to purchase the Series 2006 Refunding bond anticipation notes pursuant to a "forward-starting" arrangement in order to retire \$8,920,000 of the December 1, 2016 maturity of the School District's outstanding Series 1996 School Improvement General Obligation Bonds on or about October 1, 2006. The Series 2006 Refunding BANs will be general obligations of the School District, payable from and secured by the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all taxable property within the School District, sufficient to pay both principal and interest. Interest shall be payable semi-annually beginning December 1, 2006. The School District received \$948,500 from Bank One representing gross upfront debt service savings and the 2 percent call premium owed on the Refunding Bonds. The School District will owe \$96,933 of interest on the Series 2006 Refunding BANs for the period beginning October 1, 2006 and ending December 1, 2006, \$178,400 to be applied to the call premium on the Refunded Bonds, and issuance costs of \$122,000. After subtracting such amount from gross savings, the result is a net debt service savings of \$551,467 (6.18 percent of the Refunded Bonds).

Current Financial Related Activities

Brecksville-Broadview Heights City School District like many other school districts in the State of Ohio is struggling financially. As the preceding information shows, the School District is heavily reliant on local property taxpayers. After two levy defeats during the fiscal year and \$4,500,000 in personnel and budget reductions and increased fees, a 6.3 mill dual purpose levy for a five year period was approved by the communities on August 3, 2004. This levy will generate \$5,993,159 annually beginning in January 2005 with 1 mill designated for permanent improvements and 5.3 mills for current operating expenses. Because of the delay in tax collections and the reduction of millage, the School District maintained \$2,600,000 in budget and personnel reductions. Even though, the School District has the largest class sizes in the Cuyahoga County, this levy will not reduce class sizes it will just maintain the current educational programs while keeping pace with cost increases. However, financially the future is not without challenges.

Thus management must diligently plan expenses, staying carefully within the School District's financial forecast. Additional revenues must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the life of the levy approved in August.

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

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 decision 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 on its financial operations.

All of the School District's financial abilities will be needed to meet the challenges of the future.

In conclusion, Brecksville-Broadview Heights City School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1998.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 Karen Obratil, Treasurer at Brecksville-Broadview Heights City School District, 6638 Mill Road, Brecksville, Ohio 44141 or e-mail at karen.obratil @lnoca.org.

Brecksville-Broadview Heights City School District

Statement of Net Assets

June 30, 2004

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$9,341,060
Investments	173,317
Accounts Receivable	12,326
Intergovernmental Receivable	50,040
Inventory Held for Resale	47,405
Materials and Supplies Inventory	5,967
Prepaid Items	4,876
Taxes Receivable	33,426,395
Unamortized Bond Issuance Costs	119,608
Nondepreciable Capital Assets	3,977,756
Depreciable Capital Assets, Net	<u>33,112,578</u>
<i>Total Assets</i>	<u>80,271,328</u>
Liabilities	
Accounts Payable	280,883
Accrued Wages	3,710,652
Intergovernmental Payable	1,300,209
Matured Compensated Absences Payable	184,159
Matured Special Termination Benefits Payable	91,558
Deferred Revenue	28,263,107
Accrued Interest Payable	161,398
Notes Payable	1,638,000
Claims Payable	32,660
Long-Term Liabilities:	
Due Within One Year	2,011,516
Due In More Than One Year	<u>34,208,727</u>
<i>Total Liabilities</i>	<u>71,882,869</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	5,063,402
Restricted for:	
Capital Projects	50,217
Debt Service	3,225,770
Other Purposes	409,443
Unrestricted (Deficit)	<u>(360,373)</u>
<i>Total Net Assets</i>	<u><u>\$8,388,459</u></u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2004

	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Assets
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$19,768,980	\$577,050	\$306,234	\$0	(\$18,885,696)
Special	4,395,982	219,020	343,561	0	(3,833,401)
Vocational	361,984	0	19,714	0	(342,270)
Adult/Continuing	13,408	0	0	0	(13,408)
Support Services:					
Pupil	2,675,443	0	21,575	0	(2,653,868)
Instructional Staff	2,020,968	0	292,249	0	(1,728,719)
Board of Education	48,449	0	0	0	(48,449)
Administration	2,988,642	453	16,273	0	(2,971,916)
Fiscal	797,836	37,316	0	0	(760,520)
Business	470,997	0	0	0	(470,997)
Operation and Maintenance of Plant	4,166,381	56,020	0	0	(4,110,361)
Pupil Transportation	2,682,909	28,109	0	28,057	(2,626,743)
Central	203,397	0	4,014	0	(199,383)
Operation of Non-Instructional					
Services	405,875	699	426,512	0	21,336
Food Service Operations	1,382,785	1,086,128	218,411	0	(78,246)
Child Care Operations	420,852	446,070	18,121	0	43,339
Extracurricular Activities	932,358	348,001	478	0	(583,879)
Interest and Fiscal Charges	1,951,763	0	0	0	(1,951,763)
Totals	\$45,689,009	\$2,798,866	\$1,667,142	\$28,057	(41,194,944)

General Revenues

Property Taxes Levied for:

General Purposes	29,951,494
Debt Service	2,787,447
Capital Outlay	697,641
Grants and Entitlements not Restricted to Specific Programs	9,624,223
Payment in Lieu of Taxes	17,848
Unrestricted Contributions	5,942
Interest	108,023
Gain on Sale of Capital Assets	6,988
Miscellaneous	77,233

Total General Revenues 43,276,839

Change in Net Assets 2,081,895

Net Assets Beginning of Year 6,306,564

Net Assets End of Year 8,388,459

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Balance Sheet

Governmental Funds

June 30, 2004

	General	Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,907,957	\$3,482,982	\$2,567,987	\$8,958,926
Investments	0	173,317	0	173,317
Taxes Receivable	30,063,619	2,672,377	690,399	33,426,395
Accounts Receivable	10,402	0	1,924	12,326
Intergovernmental Receivable	30,485	0	19,555	50,040
Interfund Receivable	51,354	0	0	51,354
Inventory Held for Resale	0	0	47,405	47,405
Materials and Supplies Inventory	0	0	5,967	5,967
Prepaid Items	4,876	0	0	4,876
<i>Total Assets</i>	<u>\$33,068,693</u>	<u>\$6,328,676</u>	<u>\$3,333,237</u>	<u>\$42,730,606</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$73,559	\$0	\$207,324	\$280,883
Accrued Wages and Benefits	3,642,603	0	68,049	3,710,652
Matured Compensated Absences Payable	184,159	0	0	184,159
Interfund Payable	0	0	51,354	51,354
Matured Special Termination Benefits Payable	91,558	0	0	91,558
Intergovernmental Payable	786,487	0	25,640	812,127
Deferred Revenue	25,620,930	2,215,128	581,626	28,417,684
Accrued Interest Payable	3,064	0	1,274	4,338
Notes Payable	865,000	0	773,000	1,638,000
<i>Total Liabilities</i>	<u>31,267,360</u>	<u>2,215,128</u>	<u>1,708,267</u>	<u>35,190,755</u>
Fund Balances				
Reserved for Encumbrances	565,743	0	1,027,771	1,593,514
Reserved for Property Taxes	4,295,019	429,985	106,288	4,831,292
Unreserved, Undesignated (Deficit), Reported in:				
General Fund	(3,059,429)	0	0	(3,059,429)
Special Revenue Funds	0	0	494,547	494,547
Debt Service Funds	0	3,683,563	0	3,683,563
Capital Projects Funds	0	0	(3,636)	(3,636)
<i>Total Fund Balances</i>	<u>1,801,333</u>	<u>4,113,548</u>	<u>1,624,970</u>	<u>7,539,851</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$33,068,693</u>	<u>\$6,328,676</u>	<u>\$3,333,237</u>	<u>\$42,730,606</u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Reconciliation of Total Governmental Fund Balances to

Net Assets of Governmental Activities

June 30, 2004

Total Governmental Fund Balances		\$7,539,851
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		37,090,334
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes		1,103,077
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		349,474
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(488,082)
In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in governmental funds, an interest expenditure is reported when due.		(157,060)
Long-term liabilities, including bonds payable and capital leases payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(30,655,000)	
Manuscript Bonds	(173,317)	
Compensated Absences	(3,174,368)	
Capital Leases Payable	<u>(2,217,558)</u>	
Total		(36,220,243)
In the statement of activities, swap payments are amortized over the term of the swap, whereas, in governmental funds a swap payment is reported as an other financing source.		(\$948,500)
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditures is reported when bonds are issued.		<u>119,608</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$8,388,459</u></u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	General	Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$30,171,870	\$2,816,034	\$704,771	\$33,692,675
Intergovernmental	9,241,944	345,713	1,564,406	11,152,063
Interest	107,523	0	1,157	108,680
Tuition and Fees	654,201	0	446,070	1,100,271
Extracurricular Activities	105,709	0	239,016	344,725
Payment in Lieu of Taxes	17,848	0	0	17,848
Rentals	60,497	0	0	60,497
Charges for Services	271,402	0	1,358,454	1,629,856
Contributions and Donations	9,137	0	163,507	172,644
Miscellaneous	76,279	0	1,551	77,830
<i>Total Revenues</i>	<u>40,716,410</u>	<u>3,161,747</u>	<u>4,478,932</u>	<u>48,357,089</u>
Expenditures				
Current:				
Instruction:				
Regular	18,176,149	0	546,047	18,722,196
Special	3,995,869	0	337,591	4,333,460
Vocational	348,660	0	13,408	362,068
Support Services:				
Pupil	2,571,110	0	22,334	2,593,444
Instructional Staff	1,711,805	0	257,185	1,968,990
Board of Education	48,622	0	0	48,622
Administration	2,919,807	0	15,635	2,935,442
Fiscal	785,317	0	191	785,508
Business	399,123	0	0	399,123
Operation and Maintenance of Plant	3,998,754	0	0	3,998,754
Pupil Transportation	2,691,746	0	0	2,691,746
Central	189,468	0	7,829	197,297
Operation of Non-Instructional Services	0	0	422,670	422,670
Food Service Operations	0	0	1,300,917	1,300,917
Child Care Operations	0	0	422,609	422,609
Extracurricular Activities	685,302	0	251,868	937,170
Capital Outlay	15,492	0	1,643,861	1,659,353
Debt Service:				
Principal Retirement	97,578	990,000	38,057	1,125,635
Interest and Fiscal Charges	81,126	1,844,164	26,695	1,951,985
Bond Issuance Costs	0	122,000	0	122,000
<i>Total Expenditures</i>	<u>38,715,928</u>	<u>2,956,164</u>	<u>5,306,897</u>	<u>46,978,989</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,000,482</u>	<u>205,583</u>	<u>(827,965)</u>	<u>1,378,100</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	6,988	0	0	6,988
Capital Lease Proceeds	0	0	1,830,000	1,830,000
Swap Payment	0	948,500	0	948,500
Transfers In	0	0	432,083	432,083
Transfers Out	(264,887)	0	(167,196)	(432,083)
<i>Total Other Financing Sources (Uses)</i>	<u>(257,899)</u>	<u>948,500</u>	<u>2,094,887</u>	<u>2,785,488</u>
<i>Net Change in Fund Balances</i>	1,742,583	1,154,083	1,266,922	4,163,588
<i>Fund Balances Beginning of Year</i>	<u>58,750</u>	<u>2,959,465</u>	<u>358,048</u>	<u>3,376,263</u>
<i>Fund Balances End of Year</i>	<u>\$1,801,333</u>	<u>\$4,113,548</u>	<u>\$1,624,970</u>	<u>\$7,539,851</u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District
*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, 2004*

Net Change in Fund Balances - Total Governmental Funds \$4,163,588

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

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

Capital Outlay	2,092,598
Depreciation	<u>(1,750,803)</u>

Total	341,795
-------	---------

Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (775)

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

Property Taxes	(256,093)
Tuition and Fees	(333,852)
Rentals	(2,631)
Miscellaneous	<u>(597)</u>

Total	(593,173)
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Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,125,635

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued. 122,000

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

Accrued Interest on Bonds	2,614
Amortization of Issuance Costs	<u>(2,392)</u>

Total	222
-------	-----

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(158,377)
Pension Obligation	<u>(47,139)</u>

Total	(205,516)
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The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (93,381)

Other financing sources, such as capital lease payable, in the governmental funds increase long-term liabilities in the statement of net assets. (1,830,000)

Swap payment was recorded as an other financing source in the governmental funds but will be recognized over the life of the notes in the statement of activities. (948,500)

Change in Net Assets of Governmental Activities \$2,081,895

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues				
Taxes	\$27,857,488	\$26,259,933	\$27,594,780	\$1,334,847
Intergovernmental	8,953,743	9,211,459	9,211,459	0
Interest	155,000	118,200	118,116	(84)
Tuition and Fees	454,080	684,874	652,884	(31,990)
Extracurricular Activities	43,000	106,000	105,709	(291)
Payment in Lieu of Taxes	40,000	17,848	17,848	0
Rentals	55,000	63,200	63,158	(42)
Charges for Services	439,500	269,775	268,892	(883)
Contributions and Donations	13,500	9,217	9,137	(80)
Miscellaneous	35,200	81,712	81,707	(5)
<i>Total Revenues</i>	<u>38,046,511</u>	<u>36,822,218</u>	<u>38,123,690</u>	<u>1,301,472</u>
Expenditures				
Current:				
Instruction:				
Regular	18,391,476	18,096,578	18,040,124	56,454
Special	3,736,626	4,047,693	4,004,853	42,840
Vocational	386,963	355,490	353,212	2,278
Support Services:				
Pupil	2,747,613	2,617,344	2,610,036	7,308
Instructional Staff	1,621,474	1,716,836	1,709,413	7,423
Board of Education	114,231	109,201	101,319	7,882
Administration	3,245,925	3,036,033	3,027,581	8,452
Fiscal	886,008	834,858	825,626	9,232
Business	504,759	428,883	419,928	8,955
Operation and Maintenance of Plant	5,074,201	4,567,564	4,436,432	131,132
Pupil Transportation	2,915,410	2,864,557	2,839,987	24,570
Central	235,355	224,513	193,708	30,805
Extracurricular Activities	698,354	702,592	700,411	2,181
Capital Outlay	36,700	15,700	15,492	208
Debt Service:				
Principal Retirement	18,500	18,500	18,500	0
Interest and Fiscal Charges	6,714	6,714	6,714	0
<i>Total Expenditures</i>	<u>40,620,309</u>	<u>39,643,056</u>	<u>39,303,336</u>	<u>339,720</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(\$2,573,798)</u>	<u>(\$2,820,838)</u>	<u>(\$1,179,646)</u>	<u>\$1,641,192</u>

(continued)

Brecksville-Broadview Heights City School District

*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Sale of Capital Assets	\$1,265	\$6,988	\$6,988	\$0
Advances In	3,000	35,000	35,000	0
Advances Out	(24,000)	(50,000)	(50,000)	0
Transfers Out	(370,000)	(264,887)	(264,887)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(389,735)</u>	<u>(272,899)</u>	<u>(272,899)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,963,533)	(3,093,737)	(1,452,545)	1,641,192
<i>Fund Balance Beginning of Year</i>	3,150,631	3,150,631	3,150,631	0
Prior Year Encumbrances Appropriated	<u>578,807</u>	<u>578,807</u>	<u>578,807</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$765,905</u>	<u>\$635,701</u>	<u>\$2,276,893</u>	<u>\$1,641,192</u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Fund Net Assets

Internal Service Fund

June 30, 2004

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$382,134
Liabilities	
Claims Payable	<u>32,660</u>
Net Assets	
Unrestricted	<u><u>\$349,474</u></u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Revenues,

Expenses and Changes in Fund Net Assets

Internal Service Fund

For the Fiscal Year Ended June 30, 2004

	<u>Insurance</u>
Operating Revenues	
Charges for Services	<u>\$572,315</u>
Operating Expenses	
Purchased Services	14,255
Claims	<u>651,441</u>
<i>Total Operating Expenses</i>	<u>665,696</u>
<i>Change in Net Assets</i>	(93,381)
<i>Net Assets Beginning of Year</i>	<u>442,855</u>
<i>Net Assets End of Year</i>	<u><u>\$349,474</u></u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Cash Flows

Internal Service Fund

For the Fiscal Year Ended June 30, 2004

	<u>Insurance</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services	\$572,315
Cash Payments for Goods and Services	(14,405)
Cash Payments for Claims	<u>(634,680)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(76,770)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>458,904</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$382,134</u></u>
 Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$93,381)
Adjustments:	
Increase (Decrease) in Liabilities:	
Accounts Payable	(150)
Claims Payable	<u>16,761</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$76,770)</u></u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2004

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$138,020</u></u>
Liabilities	
Due to Students	<u><u>\$138,020</u></u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

Note 1 - Description of The School District

Brecksville-Broadview Heights City School District (the "School District") operates under a locally-elected Board form of government and provides educational services as authorized by state and federal agencies. This Board controls the School District's 8 instructional/support facilities staffed by 263 non-certificated employees, 304 certificated teaching personnel and 22 administrative employees to provide services to 4,666 students and other community members.

The School District was established in 1883 through the consolidation of existing land areas and school districts and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms.

The School District serves an area of approximately 27 square miles. It is located in Cuyahoga County, including all of the territory of the City of Brecksville, most of the City of Broadview Heights and a small portion of the City of North Royalton.

Reporting Entity

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

Nonpublic Schools Within the School District boundaries, there is located the Assumption School, Lawrence School and South Suburban Montessori School. Current State legislation provides for funding to these nonpublic schools. These monies are received and disbursed by the School District on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

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

The following entities which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

Cities of Brecksville and Broadview Heights The city governments of Brecksville and Broadview Heights are each a separate body politic and corporate. Each city elects a mayor and council independent of any School District relationships and administers the provision of traditional city services. Council acts as the taxing and budgeting authority.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

Cuyahoga County Public Library The Library is a distinct political subdivision of the State of Ohio governed by a board of trustees. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies.

Parent School Organization The School District is not involved in budgeting or managing the association, is not responsible for any debt of the association and has no influence over the association.

The School District participates in three jointly governed organizations, an insurance purchasing pool and a risk sharing pool. These organizations are the Lakeshore Northeast Ohio Computer Association, Cuyahoga Valley Career Center, Ohio Schools' Council, the Ohio School Boards Association Workers' Compensation Group Rating Plan and the Suburban Health Consortium. These organizations are presented in Notes 20 and 21 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 local 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 activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic 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. The activity of the internal service fund 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 statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, 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.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. The fiduciary fund is reported by type.

B. Fund Accounting

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

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

General Fund The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

Bond Retirement Fund The bond retirement fund receives property taxes for the payment of general obligation bonds issued to build the high school and build a stadium complex.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

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

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 is a self insurance fund that accounts for prescription drug claims of School District employees.

Fiduciary Fund Types 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. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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

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

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 and statements for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the 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. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants and entitlements. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants and entitlements 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 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 nonexchange transactions must also be available before it can be recognized.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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

Deferred 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, 2004, but which were levied to finance fiscal year 2005 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.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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 governmental funds.

E. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been given authority to allocate board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final appropriations were adopted.

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

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

F. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2004, investments were limited to federal home loan mortgage corporation notes, repurchase agreements, manuscript bonds, STAROhio and victory money market mutual fund.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements 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, 2004.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2004 amounted to \$107,523, which includes \$72,247 assigned from other School District funds.

Investments of the cash management pool and investments with a 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 original maturity of more than three months that are not made from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which the services are consumed.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food.

I. Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. 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.

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

Description	Governmental Activities Estimated Lives
Buildings and Improvements	20 - 40 years
Furniture and Equipment	5 - 20 years
Vehicles	5 - 10 years
Textbooks	8 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans and unpaid amounts for interfund services provided and used are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities columns of the statement of net assets.

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 employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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(s) from which the employees who have resigned or retired will be 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 proprietary funds are reported on the proprietary fund financial statements.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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

M. 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. Net assets restricted for other purposes include food services and extracurricular activities.

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

N. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves are established for encumbrances and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definition of operating 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Q. 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.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

R. Estimates

The preparation of 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.

Note 3 – Changes in Accounting Principles

For fiscal year 2004, the School District has implemented GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units” and GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section.”

GASB Statement No. 39 states that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government. The implementation of GASB Statement No. 39 did not affect the reporting entity of the School District.

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section.

Note 4 – Compliance

The permanent improvement capital projects fund had final appropriations in excess of estimated resources and carryover balances in the amount of \$8,014 contrary to Section 5705.39, Revised Code. Although this violation was not corrected by fiscal year end, management has indicated that appropriations will be closely monitored to ensure no future violations occur.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, 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:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments reported at cost (budget) rather than at fair value (GAAP).

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$1,742,583
Net Adjustment for Revenue Accruals	(1,693,901)
Advance In	35,000
Beginning Fair Value Adjustment for Investments	4,085
Ending Fair Value Adjustment for Investments	6,508
Revenue moved for Debt	(909,412)
Net Adjustment for Expenditure Accruals	(859,248)
Advance Out	(50,000)
Principal Retirement	835,000
Interest and Fiscal Charges	74,412
Adjustment for Encumbrances	<u>(637,572)</u>
Budget Basis	<u><u>(\$1,452,545)</u></u>

Note 6 - 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 moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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

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

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. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Undeposited Cash At year-end, the School District had \$100 in undeposited cash on hand which is included as part of "equity in pooled cash and cash equivalents."

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

Deposits At fiscal year-end, the carrying amount of the School District's deposits was (\$109,106) and the bank balance was \$323,558. Of the bank balance:

1. \$200,000 of the bank balance was covered by depository insurance; and

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

2. \$123,558 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State 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.

Investments GASB Statement No. 3 requires the School District's investments to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio and the Victory Money Market Mutual Fund are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category		Carrying	Fair
	1	3	Value	Value
Manuscript Bonds	<u>\$173,317</u>		\$173,317	\$173,317
Repurchase Agreement		\$6,228,644	6,228,644	6,228,644
Federal Home Loan				
Mortgage Corporation Notes		<u>795,517</u>	795,517	795,517
Victory Money Market Mutual Fund			1,601,717	1,601,717
STAROhio			<u>962,208</u>	<u>962,208</u>
Total		<u>\$7,024,161</u>	<u>\$9,761,403</u>	<u>\$9,761,403</u>

The classification of cash and cash equivalents, and investments on the combined basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash	
	<u>Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$9,479,080	\$173,317
Cash on Hand	(100)	0
Investments which are part of a Cash Management Pool		
Repurchase Agreement	(6,228,644)	6,228,644
Federal Home Loan		
Mortgage Corporation Notes	(795,517)	795,517
Victory Money Market Mutual Fund	(1,601,717)	1,601,717
STAROhio	<u>(962,208)</u>	<u>962,208</u>
GASB Statement No. 3	<u>(\$109,106)</u>	<u>\$9,761,403</u>

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

Note 7 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the school district 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 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. 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 Cuyahoga 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, 2004, are available to finance fiscal year 2004 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, 2004 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, 2004, was \$4,295,019 in the general fund, \$429,985 in the bond retirement debt service fund and \$106,288 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2003, was \$2,258,709 in the general fund, \$238,397 in the bond retirement debt service fund and \$59,050 in the permanent improvement capital projects fund. The difference was in the timing and collection by the County Auditor.

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.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

The assessed values upon which the fiscal year 2004 taxes were collected are:

	2003 Second Half Collections		2004 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$812,810,500	91.22%	\$877,378,830	92.23%
Public Utility	28,750,440	3.23	29,439,450	3.09
Tangible Personal Property	49,439,385	5.55	44,476,870	4.68
	<u>\$891,000,325</u>	<u>100.00%</u>	<u>\$951,295,150</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$71.50		\$71.40	

Note 8 - Receivables

Receivables at June 30, 2004, consisted of taxes, accounts (rent and student fees), 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 fiscal year guarantee of federal funds and all receivables will be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Tuition	\$30,485
Food Service	19,168
Title III	387
<i>Total Intergovernmental Receivables</i>	<u>\$50,040</u>

Note 9 - 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. During fiscal year 2004, the School District participated in the Ohio Schools' Council's insurance program through Indiana Insurance Company for buildings and contents, inland marine and crime and Travelers Insurance for boiler coverage, fleet insurance as well as liability insurance program.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage Amount</u>
Indiana Insurance Company	Property	\$76,330,801
	Inland Marine	1,398,208
	Crime	250,000
	Extra Expense	1,000,000
	General Liability, in aggregate	5,000,000
	General Liability, per occurrence	2,000,000
	Fleet Insurance, single limit	2,000,000
	Fleet Insurance, uninsured	1,000,000
	Auto Medical Payments	5,000
Travelers Insurance	Boiler and Machinery	30,000,000
	Consequential Loss	50,000
	Expediting Expense	100,000
	Hazardous Substance	100,000
	Ammonia Contamination	100,000
Ohio Casualty	Public Officials Bond	15,000

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

B. Workers' Compensation

The School District participates in the Ohio School Board Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

C. Self-Insurance

The District provides prescription drug benefits for its employees and their covered dependents through its self-insurance fund. The prescription drug plan utilizes a \$5 deductible per prescription for generic drugs and a \$9 deductible per prescription for brand name drugs. Caremark administers the plan and reviews all claims

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

paid by the School District. The monthly prescription drug premium for single is \$59.71 and \$131.06 for family.

The claims liability of \$32,660 reported in the internal service fund at June 30, 2004 is based on the requirements of GASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the Employee Benefits Internal Service Fund's claim liability amount in fiscal 2003 and 2004 were as follows:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2003	\$17,424	\$561,410	\$562,935	\$15,899
2004	15,899	651,441	634,680	32,660

D. Employee Health Benefits

The School District participates in the Suburban Health Consortium, a shared risk pool (Note 20) to provide employee medical/surgical benefits. Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. The School District's Board of Education pays the entire cost of a monthly premium for all full-time employees.

Claims are paid for all participants regardless of claims flow. Upon termination, all School District claims would be paid without regard to the School District's account balance or the Directors have the right to hold monies for an exiting school district subsequent to the settlement of all expenses and claims.

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Balance 6/30/03	Additions	Deletions	Balance 6/30/04
Governmental Activities				
<i>Capital Assets, not being depreciated</i>				
Land	\$2,830,407	\$379,374	\$0	\$3,209,781
Construction in Progress	0	767,975	0	767,975
<i>Total Capital Assets, not being depreciated</i>	<u>2,830,407</u>	<u>1,147,349</u>	<u>0</u>	<u>3,977,756</u>
<i>Capital Assets, being depreciated</i>				
Buildings and Improvements	42,225,506	439,131	0	42,664,637
Furniture and Equipment	7,633,061	136,802	(139,131)	7,630,732
Vehicles	2,537,743	221,377	(68,621)	2,690,499
Textbooks	985,672	147,939	0	1,133,611
<i>Total Capital Assets, being depreciated</i>	<u>\$53,381,982</u>	<u>\$945,249</u>	<u>(\$207,752)</u>	<u>\$54,119,479</u>

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

	<u>Balance 6/30/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/04</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(\$12,920,933)	(\$1,039,779)	\$0	(\$13,960,712)
Furniture and Equipment	(4,551,804)	(446,518)	138,356	(4,859,966)
Vehicles	(1,627,030)	(147,791)	68,621	(1,706,200)
Textbooks	(363,308)	(116,715)	0	(480,023)
<i>Total Accumulated Depreciation</i>	<u>(19,463,075)</u>	<u>(1,750,803) *</u>	<u>206,977</u>	<u>(21,006,901)</u>
<i>Total Capital Assets, being depreciated, Net</i>	<u>33,918,907</u>	<u>(805,554)</u>	<u>(775)</u>	<u>33,112,578</u>
<i>Governmental Activities Assets, Net</i>	<u>\$36,749,314</u>	<u>\$341,795</u>	<u>(\$775)</u>	<u>\$37,090,334</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,010,959
Special	50,281
Vocational	14,855
Support Services:	
Pupil	57,653
Instructional Staff	47,376
Administration	73,712
Fiscal	11,465
Business	68,881
Operation and Maintenance of Plant	172,086
Pupil Transportation	140,660
Central	2,652
Operation of Non-Instructional Services	10,902
Food Service Operations	65,437
Extracurricular Activities	23,884
Total Depreciation Expense	<u>\$1,750,803</u>

Note 11 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Twelve month administrative personnel earn 20 days vacation leave and after 10 years of service, 25 days of vacation leave are earned. The Superintendent earns 30 days of vacation leave and the Treasurer earns 20 days.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for 28 percent of the total sick leave accumulation, up to a maximum accumulation of 77 days for certificated employees and 83 days for classified employees. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance in the amount of \$50,000 to full-time employees and in an amount equal to double the employee's annual salary for administrators through Anthem Life Insurance Company. The superintendent receives life insurance in an amount three times his annual salary to a maximum of \$500,000.

C. Retirement Incentive

The School District Board of Education offered employees participation in a Retirement Incentive program through July 31, 2003. Participation was open to teachers who were eligible for service retirement under the State Teachers Retirement System (STRS) pursuant to O.R.C. 3307.38 and any applicable STRS regulations. Each teacher who qualifies for and takes retirement receives a retirement incentive of \$9,925. One-half of this retirement incentive is paid in January and June of their year of retirement. Nine employees participated in the program and their incentives will be completely paid by June 2005.

Note 12 - Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

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 School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003 and 2002 were \$625,397, \$547,264 and \$334,816 respectively; 56.23 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

B. 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 St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2004, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2004, the portion used to fund pension obligations was 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002 were \$2,531,815, \$2,372,479 and \$1,568,801 respectively; 83.02 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002. Contributions to the DC and Combined Plans for fiscal year 2004 were \$24,480 made by the School District and \$48,541 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2004, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

Note 13 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$194,755 for fiscal year 2004.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2003, (the latest information available) the balance in the Fund was \$2.8 billion. For the year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000 and STRS had 108,294 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll, a decrease of .92 percent from fiscal year 2003. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay was established at \$25,400. However, the surcharge was capped at 2 percent of the SERS salaries. For the School District, the surcharge amount was capped at 2 percent. For the School District, the amount contributed to fund health care benefits during the 2004 fiscal year equaled \$475,412.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003 (the latest information available), were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

Note 14 - Long-Term Obligations

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/03	Additions	Reductions	Principal Outstanding 6/30/04	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
8.12% 1986 Stadium Complex	\$210,000	\$0	(\$70,000)	\$140,000	\$70,000
5.60% 1996 New High School	<u>31,435,000</u>	<u>0</u>	<u>(920,000)</u>	<u>30,515,000</u>	<u>965,000</u>
Total General Obligation Bonds	31,645,000	0	(990,000)	30,655,000	1,035,000
3.5% 2002 Real Estate					
Manuscript Bonds	191,817	0	(18,500)	173,317	19,148
Compensated Absences	3,015,991	350,752	(192,375)	3,174,368	640,696
Capital Lease	<u>504,693</u>	<u>1,830,000</u>	<u>(117,135)</u>	<u>2,217,558</u>	<u>316,672</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$35,357,501</u>	<u>\$2,180,752</u>	<u>(\$1,318,010)</u>	<u>\$36,220,243</u>	<u>\$2,011,516</u>

In January 1986, the School District issued bonds in the amount of \$1,350,000 for the purpose of adding to, renovating, rehabilitating, constructing, furnishing and equipping athletic facilities and improving their sites. These bonds are paid from the bond retirement fund and will mature in December 2005.

In March 1996, Brecksville-Broadview Heights City School District passed a 3.97 mill bond issue, providing \$36,000,000 for constructing, furnishing and equipping a new high school and renovating, improving, furnishing and equipping school facilities and their sites. The 1996 school improvement bonds issued for the construction of a new high school were issued as an advance refunding and may not be advance refunded by tax-exempt obligations of the School District. These bonds become callable as of December 1, 2006. These bonds are paid from the bond retirement fund and will mature in December 2021.

In December 2001, the School District issued \$209,500 in real estate acquisition notes for the purpose of purchasing property located at 8929 Old Highland Drive adjacent to Central School in order to provide classroom expansion opportunities. These notes will be paid from the general fund and will mature in December 2011.

Compensated absences will be paid from the general fund and food service and child care special revenue funds. The capital lease will be paid from the general fund and the building capital projects fund.

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

The School District's overall debt margin was \$58,901,795 with an unvoted debt margin of \$951,295 at June 30, 2004. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2004 are as follows:

	General Obligation Bonds		Manuscript Bonds		Total
	Principal	Interest	Principal	Interest	
2005	\$1,035,000	\$1,792,513	\$19,148	\$6,066	\$2,852,727
2006	1,085,000	1,726,909	19,818	5,396	2,837,123
2007	1,085,000	1,648,701	20,511	4,702	2,758,914
2008	1,165,000	1,563,644	21,229	3,984	2,753,857
2009	1,255,000	1,484,346	21,972	3,241	2,764,559
2010-2014	7,420,000	6,213,429	70,639	5,001	13,709,069
2015-2019	10,090,000	3,471,956	0	0	13,561,956
2020-2022	7,520,000	605,588	0	0	8,125,588
Total Principal and Interest	<u>\$30,655,000</u>	<u>\$18,507,086</u>	<u>\$173,317</u>	<u>\$28,390</u>	<u>\$49,363,793</u>

Note 15 – Note Purchase Agreement/Swap Agreement

In April, 2004, the School District entered into an agreement to issue and sell to Bank One NA variable interest rate notes dated October 2, 2006, in the amount of \$8,920,000. The notes have scheduled maturities beginning December 1, 2012 and ending December 1, 2016. The notes will have a variable interest rate of .65 multiplied times the sum of the one-month London Interbank Offered Rate (LIBOR) plus .90. Proceeds of the notes are to be used to refund \$8,920,000 of the series 1996 bonds which will be called on December 1, 2006.

The School District and Bank One also entered into an interest rate swap agreement in which Bank One agreed to pay interest at a variable rate on a notional amount equal to the unpaid principal amount of the notes and the School District agreed to pay interest on the notional amount at a fixed rate. The School District received an upfront payment from Bank One, NA of \$948,500 representing the present value of the debt service savings to be achieved through the refunding based on a notional amount of \$8,920,000. The swap's fixed interest rate is set at 6.50 percent. The swap's variable interest rate is 1.83 percent.

Fair Value As of June 30, 2004, the swap had a negative fair value of \$1,205,597 estimated using the zero-coupon method. This method calculated the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments were then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

Market Access Risk In the event the School District fails to issue the refunding notes, the School District would be required to pay Bank One for its “loss” as that term is defined under the swap agreement. Under certain circumstances, Bank One has the right to terminate the note purchase agreement. If Bank One were to exercise its right to terminate the note purchase agreement, the School District would be required to pay \$826,500 to Bank One with neither party having any further liability with respect to the swap agreement.

Note 16 – Interfund Transfers

A transfer of \$239,887 was made from the general fund into the bond retirement debt service fund to pay down the energy conservation note issued in fiscal year 2004. A transfer of \$25,000 was made from the general fund into the other grants special revenue fund for support of various grants. A transfer of \$167,196 was made from the permanent improvement capital projects fund to the building capital projects fund to pay expenses from the building project.

Note 17 – Interfund Balances

On the fund financial statements the general fund reported an interfund receivable at June 30, 2004 of \$51,354. The food service and child care special revenue funds had an interfund payable of \$50,000 and \$1,354; respectively. The loans to the special revenue funds were made to support programs and projects in these funds.

Note 18 – Capital Lease

A new capital lease obligation recorded on the governmental wide statements relates to the construction of a transportation and maintenance facility. At the time the School District entered into this lease, the transportation and maintenance facility had not yet been built. As part of this agreement, Key Government Finance, Inc., as lessor, deposited \$1,830,000 into the School District’s account. At fiscal year end, construction in progress was recorded in the amount of \$767,975. \$1,062,025 still remains in the building capital projects fund. The principal amount owed on the lease at fiscal year end was \$1,791,943.

In prior years, the School District entered into a capitalized lease obligation for a new phone system installed throughout the School District. These leases meet the criteria for a capital lease as defined by Statement of Financial Accounting Standards No. 13 “Accounting for Leases” and have been recorded on the government-wide statements. These leases were capitalized as a capital asset in the amount of \$1,374,704, the present value of the minimum lease payment at the inception of each lease. The book value as of June 30, 2004 was \$1,253,360.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2004.

	<u>Amounts</u>
2005	\$401,301
2006	401,301
2007	401,301
2008	401,301
2009	367,177
2010 – 2011	<u>548,030</u>
Total Minimum Lease Payments	2,520,411
Less: Amount representing interest	<u>302,853</u>
Present Value of Minimum Lease Payments	<u><u>\$2,217,558</u></u>

Note 19 – Notes Payable

The School District's note activity, including amounts outstanding and interest rates is as follows:

	<u>Principal Outstanding 6/30/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/04</u>
General Fund				
2001 3.75%				
Tax Anticipation Notes	\$1,700,000	\$0	\$835,000	\$865,000
Building Fund				
2002 5.0%				
Energy Conservation Note	<u>998,000</u>	<u>773,000</u>	<u>998,000</u>	<u>773,000</u>
Total Notes	<u><u>\$2,698,000</u></u>	<u><u>\$773,000</u></u>	<u><u>\$1,833,000</u></u>	<u><u>\$1,638,000</u></u>

The energy conservation improvement note was used to replace boilers, windows and lighting throughout the School District. The energy conservation improvement note is backed by the full faith and credit of the School District and will mature within one year. The note liability is reflected in the fund which received the proceeds.

The tax anticipation notes were used to pay operating expenditures of the School District until the tax levy collections began. The tax anticipation notes will be paid from the general fund with property taxes revenue. The final principal payment of \$865,000 and interest payment of \$18,381 will be paid in December 2005 to retire the tax anticipation notes.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

Note 20 - Jointly Governed Organizations

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau owned and operated by eleven public school districts. The primary function of LNOCA is to provide data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. Brecksville-Broadview Heights City School District paid \$61,255 to LNOCA during fiscal year 2004. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valley View, Ohio 44125.

B. Cuyahoga Valley Career Center

The Cuyahoga Valley Career Center (a joint vocational school district) is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of representatives from each participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Cuyahoga Valley Career Center is not part of the School District and its operations are not included as part of the reporting entity. The School District made no contributions to the Cuyahoga Valley Career Center during fiscal year 2004. Financial information can be obtained by contacting the Treasurer at the Cuyahoga Valley Career Center, 8001 Brecksville Road, Brecksville, OH 44141.

C. Ohio Schools' Council

The Ohio Schools' Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee.

The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2004, the School District paid \$800 to the Council. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998 and the natural gas program which was implemented during fiscal year 2000.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

The electric purchase program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

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

The natural gas program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each November these estimates are compared to their actual usage for the year and any necessary adjustments are made.

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

Note 21 – Public Entity Risk Pools

A. Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Risk Sharing Pool

The Suburban Health Consortium is a shared health risk pool created pursuant to State statute for the purpose of administering health care benefits. The council is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve on the Board of Directors. The assembly exercises control over the participating school districts, based on the established premiums for the insurance plans. Each school district reserves the right to terminate the plan in whole or in part at any time for their School District. If it is terminated, no further contributions will be made, but the benefits under the insurance contract shall be paid in accordance with the terms of the contract.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

Note 22 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2004.

B. Litigation

No litigation is pending at this time for the Brecksville-Broadview Heights City School District.

Note 23 - Set-Asides

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. These amounts must be carried forward to be used for the same purposes in future years.

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

	Capital Improvements Reserve	Textbooks/ Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2003	\$0	(\$33,341)
Current Year Set-aside Requirement	637,025	637,025
Qualifying Disbursements	<u>(1,210,924)</u>	<u>(636,775)</u>
Totals	<u>(\$573,899)</u>	<u>(\$33,091)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>	<u>(\$33,091)</u>
Set-aside Reserve Balance as of June 30, 2004	<u>\$0</u>	<u>\$0</u>

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

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

Note 24 - 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 decision 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 its future State funding and on its financial operations.

Note 25 – Contractual Obligations

As of June 30, 2004, the School District had the following contractual agreements:

<u>Service</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Balance as of 6/30/2004</u>
General Contractor	\$1,070,105	\$342,652	\$727,453
Electric	192,049	42,680	149,369
Heating, Ventilating, and Air-conditioning	173,522	62,169	111,353
Architect	105,000	79,879	25,121
Mechanical	98,700	41,078	57,622
Total Obligations	<u>\$1,639,376</u>	<u>\$568,458</u>	<u>\$1,070,918</u>

Note 26 - Subsequent Event

On August 3, 2004, the residents of the School District approved a 6.3 mill dual purpose levy with 5.3 mills designated for current operating expenses and 1 mill for permanent improvements. Tax revenue from this levy will first be received in January 2005.

**Combining Statements
and
Individual Fund Schedules**

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

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

Food Service Fund – The fund accounts for the financial transactions related to the food service operations of the School District.

Scholarship Fund – This fund accounts for donations toward scholarships for the students.

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

Public School Support Fund – This fund accounts for school site sales revenue and expenditures for assemblies and other activity costs.

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

Child Care Fund – This fund accounts for monies received from parents for participation in the after school child care program and expenditures for all activities.

Athletics Fund – This fund accounts for gate receipts and other revenues from athletic events and costs (except supplemental coaching contracts) of the athletic program.

Auxiliary Services Fund – This fund accounts for State grant monies that provide services and materials to pupils attending non-public schools within the School District.

Teacher Development Fund – This fund accounts for State monies used to support locally developed teacher training and professional development.

Educational Management Information Systems Fund – This fund accounts for State grant monies used to support the costs associated with the requirements of the management information system.

One Net Fund – This fund accounts for State grant monies used for classroom wiring for technology.

SchoolNet Professional Development Fund – This fund accounts for State monies to assist staff in gaining knowledge of technology.

Ohio Reads Classroom Grant Fund – This fund accounts for State monies to supplement the School District's reading programs.

(continued)

Combining Statements – Nonmajor Funds (continued)

Nonmajor Special Revenue Funds

Summer Intervention Fund – This fund accounts for State monies used to provide intervention opportunities for students.

Entry Level Teachers Fund – This fund accounts for State monies used for new teacher training.

Safe School Help Line Fund – This fund accounts for State monies used to provide a secured environment for the students.

Title VI-B Fund – This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Title III Fund – This fund accounts for Federal monies used for costs associated with limited English proficiency.

Title I Fund – This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title V Fund – This fund accounts for Federal monies used to support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Drug Free Schools Fund – This fund accounts for Federal monies used to support the implementation of programs for drug abuse education and prevention.

Pre-School Fund – This fund accounts for Federal revenues used for speech therapy services and instructional supplies used in preschool programs.

Improving Teacher Quality Fund – This fund accounts for Federal monies used for professional development of teachers.

Assistive Technology Fund – This fund accounts for Federal monies used to provide technology for students with special needs.

Title II-D Fund – This fund accounts for Federal monies used for technology.

(continued)

Combining Statements – Nonmajor Funds (continued)

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Following is a description of the nonmajor capital project funds:

Permanent Improvement Fund – This fund accounts for property taxes levied to be used for various capital improvements within the School District

Building Fund – This fund accounts for the 1996 school improvement bond proceeds to be used for the acquisition, construction, improvements and furnishings for the new high school.

SchoolNet Plus Fund – This fund accounts for State monies to be used to purchase computer hardware and software.

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$658,077	\$1,909,910	\$2,567,987
Receivables:			
Taxes	0	690,399	690,399
Accounts	1,924	0	1,924
Intergovernmental	19,555	0	19,555
Inventory Held for Resale	47,405	0	47,405
Materials and Supplies Inventory	5,967	0	5,967
<i>Total Assets</i>	<u>\$732,928</u>	<u>\$2,600,309</u>	<u>\$3,333,237</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$7,807	\$199,517	\$207,324
Accrued Wages and Benefits	68,049	0	68,049
Interfund Payable	51,354	0	51,354
Intergovernmental Payable	25,640	0	25,640
Deferred Revenue	0	581,626	581,626
Accrued Interest Payable	0	1,274	1,274
Notes Payable	0	773,000	773,000
<i>Total Liabilities</i>	<u>152,850</u>	<u>1,555,417</u>	<u>1,708,267</u>
Fund Balances			
Reserved for Encumbrances	85,531	942,240	1,027,771
Reserved for Property Taxes	0	106,288	106,288
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	494,547	0	494,547
Capital Projects Funds (Deficit)	0	(3,636)	(3,636)
<i>Total Fund Balances</i>	<u>580,078</u>	<u>1,044,892</u>	<u>1,624,970</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$732,928</u>	<u>\$2,600,309</u>	<u>\$3,333,237</u>

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$0	\$704,771	\$704,771
Intergovernmental	1,480,069	84,337	1,564,406
Interest	1,157	0	1,157
Tuition and Fees	446,070	0	446,070
Extracurricular Activities	239,016	0	239,016
Charges for Services	1,358,454	0	1,358,454
Contributions and Donations	163,507	0	163,507
Miscellaneous	1,551	0	1,551
<i>Total Revenues</i>	<u>3,689,824</u>	<u>789,108</u>	<u>4,478,932</u>
Expenditures			
Current:			
Instruction:			
Regular	546,047	0	546,047
Special	337,591	0	337,591
Vocational	13,408	0	13,408
Support Services:			
Pupil	22,334	0	22,334
Instructional Staff	257,185	0	257,185
Administration	15,635	0	15,635
Fiscal	191	0	191
Central	7,829	0	7,829
Operation of Non-Instructional Services	422,670	0	422,670
Food Service Operations	1,300,917	0	1,300,917
Child Care Operations	422,609	0	422,609
Extracurricular Activities	251,868	0	251,868
Capital Outlay	0	1,643,861	1,643,861
Debt Service:			
Principal Retirement	0	38,057	38,057
Interest and Fiscal Charges	0	26,695	26,695
<i>Total Expenditures</i>	<u>3,598,284</u>	<u>1,708,613</u>	<u>5,306,897</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>91,540</u>	<u>(919,505)</u>	<u>(827,965)</u>
Other Financing Sources (Uses)			
Capital Lease Proceeds	0	1,830,000	1,830,000
Transfers In	25,000	407,083	432,083
Transfers Out	0	(167,196)	(167,196)
<i>Total Other Financing Sources (Uses)</i>	<u>25,000</u>	<u>2,069,887</u>	<u>2,094,887</u>
<i>Net Change in Fund Balances</i>	116,540	1,150,382	1,266,922
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>463,538</u>	<u>(105,490)</u>	<u>358,048</u>
<i>Fund Balances End of Year</i>	<u>\$580,078</u>	<u>\$1,044,892</u>	<u>\$1,624,970</u>

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2004

	Food Service	Scholarship	Uniform School Supplies
Assets			
Equity in Pooled Cash and Cash Equivalents	\$62,401	\$69,735	\$54,358
Receivables:			
Accounts	1,551	0	373
Intergovernmental	19,168	0	0
Inventory Held for Resale	47,405	0	0
Materials and Supplies Inventory	5,967	0	0
<i>Total Assets</i>	<u>\$136,492</u>	<u>\$69,735</u>	<u>\$54,731</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$605	\$0	\$2,121
Accrued Wages and Benefits	56,007	0	0
Interfund Payable	50,000	0	0
Intergovernmental Payable	11,464	0	0
<i>Total Liabilities</i>	<u>118,076</u>	<u>0</u>	<u>2,121</u>
 Fund Balances			
Reserved for Encumbrances	3,741	50	0
Unreserved, Undesignated	14,675	69,685	52,610
<i>Total Fund Balances</i>	<u>18,416</u>	<u>69,735</u>	<u>52,610</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$136,492</u>	<u>\$69,735</u>	<u>\$54,731</u>

<u>Public School Support</u>	<u>Other Grants</u>	<u>Child Care</u>	<u>Athletics</u>	<u>Auxiliary Services</u>
\$88,322	\$50,744	\$40,039	\$74,652	\$84,704
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$88,322</u>	<u>\$50,744</u>	<u>\$40,039</u>	<u>\$74,652</u>	<u>\$84,704</u>
\$0	\$0	\$3,397	\$0	\$934
0	50	11,992	0	0
0	0	1,354	0	0
0	3,973	8,613	0	0
<u>0</u>	<u>4,023</u>	<u>25,356</u>	<u>0</u>	<u>934</u>
1,191	4,985	2,423	6,523	25,640
<u>87,131</u>	<u>41,736</u>	<u>12,260</u>	<u>68,129</u>	<u>58,130</u>
<u>88,322</u>	<u>46,721</u>	<u>14,683</u>	<u>74,652</u>	<u>83,770</u>
<u>\$88,322</u>	<u>\$50,744</u>	<u>\$40,039</u>	<u>\$74,652</u>	<u>\$84,704</u>

(continued)

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds (continued)

June 30, 2004

	<u>Teacher Development</u>	<u>Educational Management Information Systems</u>	<u>SchoolNet Professional Development</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$9,577	\$20,869	\$1,890
Receivables:			
Accounts	0	0	0
Intergovernmental	0	0	0
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$9,577</u></u>	<u><u>\$20,869</u></u>	<u><u>\$1,890</u></u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$400	\$0
Accrued Wages and Benefits	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>400</u>	<u>0</u>
 Fund Balances			
Reserved for Encumbrances	0	1,073	0
Unreserved, Undesignated	<u>9,577</u>	<u>19,396</u>	<u>1,890</u>
<i>Total Fund Balances</i>	<u>9,577</u>	<u>20,469</u>	<u>1,890</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$9,577</u></u>	<u><u>\$20,869</u></u>	<u><u>\$1,890</u></u>

Ohio Reads Classroom Grant	Summer Intervention	Title VI-B	Title III	Title I
\$8,083	\$10,061	\$38,676	\$5,308	\$5,865
0	0	0	0	0
0	0	0	387	0
0	0	0	0	0
0	0	0	0	0
<u>\$8,083</u>	<u>\$10,061</u>	<u>\$38,676</u>	<u>\$5,695</u>	<u>\$5,865</u>
\$0	\$0	\$350	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>350</u>	<u>0</u>	<u>0</u>
2,708	6,644	26,308	2,476	1,689
5,375	3,417	12,018	3,219	4,176
<u>8,083</u>	<u>10,061</u>	<u>38,326</u>	<u>5,695</u>	<u>5,865</u>
<u>\$8,083</u>	<u>\$10,061</u>	<u>\$38,676</u>	<u>\$5,695</u>	<u>\$5,865</u>

(continued)

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds (continued)

June 30, 2004

	Title V	Drug Free Schools	Improving Teacher Quality
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$5,637	\$1,997	\$21,752
Receivables:			
Accounts	0	0	0
Intergovernmental	0	0	0
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$5,637</u>	<u>\$1,997</u>	<u>\$21,752</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	1,590
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>1,590</u>
 Fund Balances			
Reserved for Encumbrances	0	0	80
Unreserved, Undesignated	5,637	1,997	20,082
<i>Total Fund Balances</i>	<u>5,637</u>	<u>1,997</u>	<u>20,162</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,637</u>	<u>\$1,997</u>	<u>\$21,752</u>

Title II-D	Total Nonmajor Special Revenue Funds
\$3,407	\$658,077
0	1,924
0	19,555
0	47,405
0	5,967
<u>\$3,407</u>	<u>\$732,928</u>
\$0	\$7,807
0	68,049
0	51,354
0	25,640
<u>0</u>	<u>152,850</u>
0	85,531
<u>3,407</u>	<u>494,547</u>
<u>3,407</u>	<u>580,078</u>
<u>\$3,407</u>	<u>\$732,928</u>

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004

	Food Service	Scholarship	Uniform School Supplies
Revenues			
Intergovernmental	\$218,411	\$0	\$0
Interest	0	224	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Charges for Services	1,086,128	4,130	171,725
Contributions and Donations	0	58,213	0
Miscellaneous	1,551	0	0
<i>Total Revenues</i>	<u>1,306,090</u>	<u>62,567</u>	<u>171,725</u>
Expenditures			
Current:			
Instruction:			
Regular	0	2,787	175,312
Special	0	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	0	0
Administration	0	453	0
Fiscal	0	191	0
Central	0	0	0
Operation of Non-Instructional Services	0	59,314	0
Food Service Operations	1,300,917	0	0
Child Care Operations	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>1,300,917</u>	<u>62,745</u>	<u>175,312</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	5,173	(178)	(3,587)
Other Financing Sources			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,173	(178)	(3,587)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>13,243</u>	<u>69,913</u>	<u>56,197</u>
<i>Fund Balances End of Year</i>	<u><u>\$18,416</u></u>	<u><u>\$69,735</u></u>	<u><u>\$52,610</u></u>

Public School Support	Other Grants	Child Care	Athletics	Auxiliary Services	Teacher Development
\$0	\$0	\$0	\$0	\$293,988	\$0
0	0	0	276	657	0
0	0	446,070	0	0	0
0	0	0	239,016	0	0
96,471	0	0	0	0	0
26,623	60,072	18,121	478	0	0
0	0	0	0	0	0
<u>123,094</u>	<u>60,072</u>	<u>464,191</u>	<u>239,770</u>	<u>294,645</u>	<u>0</u>
125,016	3,133	0	0	0	0
0	0	0	0	0	0
0	13,408	0	0	0	0
0	70	0	0	0	0
0	0	0	0	0	3,206
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	75,430	0	0	274,344	0
0	0	0	0	0	0
0	0	422,609	0	0	0
0	0	0	251,868	0	0
<u>125,016</u>	<u>92,041</u>	<u>422,609</u>	<u>251,868</u>	<u>274,344</u>	<u>3,206</u>
(1,922)	(31,969)	41,582	(12,098)	20,301	(3,206)
<u>0</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(1,922)	(6,969)	41,582	(12,098)	20,301	(3,206)
<u>90,244</u>	<u>53,690</u>	<u>(26,899)</u>	<u>86,750</u>	<u>63,469</u>	<u>12,783</u>
<u>\$88,322</u>	<u>\$46,721</u>	<u>\$14,683</u>	<u>\$74,652</u>	<u>\$83,770</u>	<u>\$9,577</u>

(continued)

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2004

	Educational Management Information Systems	One Net	SchoolNet Professional Development
Revenues			
Intergovernmental	\$16,922	\$18,000	\$4,140
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Charges for Services	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>16,922</u>	<u>18,000</u>	<u>4,140</u>
Expenditures			
Current:			
Instruction:			
Regular	0	19,060	0
Special	0	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupil	8,873	0	0
Instructional Staff	0	0	6,850
Administration	0	0	0
Fiscal	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Food Service Operations	0	0	0
Child Care Operations	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>8,873</u>	<u>19,060</u>	<u>6,850</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	8,049	(1,060)	(2,710)
Other Financing Sources			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	8,049	(1,060)	(2,710)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>12,420</u>	<u>1,060</u>	<u>4,600</u>
<i>Fund Balances End of Year</i>	<u><u>\$20,469</u></u>	<u><u>\$0</u></u>	<u><u>\$1,890</u></u>

Ohio Reads Classroom Grant	Summer Intervention	Entry Level Teachers	Safe School Help Line	Title VI-B	Title III
\$27,012	\$77,299	\$2,600	\$4,014	\$483,572	\$16,336
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>27,012</u>	<u>77,299</u>	<u>2,600</u>	<u>4,014</u>	<u>483,572</u>	<u>16,336</u>
15,056	67,495	0	0	0	12,786
0	0	0	0	197,424	0
0	0	0	0	0	0
3,691	0	0	0	675	0
100	0	6,600	0	232,831	0
2,272	0	0	0	1,292	0
0	0	0	0	0	0
0	0	0	7,829	0	0
0	0	0	0	13,582	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>21,119</u>	<u>67,495</u>	<u>6,600</u>	<u>7,829</u>	<u>445,804</u>	<u>12,786</u>
5,893	9,804	(4,000)	(3,815)	37,768	3,550
0	0	0	0	0	0
5,893	9,804	(4,000)	(3,815)	37,768	3,550
2,190	257	4,000	3,815	558	2,145
<u>\$8,083</u>	<u>\$10,061</u>	<u>\$0</u>	<u>\$0</u>	<u>\$38,326</u>	<u>\$5,695</u>

(continued)

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2004

	Title I	Title V	Drug Free Schools
Revenues			
Intergovernmental	\$149,662	\$37,467	\$12,828
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Charges for Services	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>149,662</u>	<u>37,467</u>	<u>12,828</u>
Expenditures			
Current:			
Instruction:			
Regular	0	35,872	1,302
Special	137,077	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	5,467	0	0
Administration	1,148	0	10,470
Fiscal	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Food Service Operations	0	0	0
Child Care Operations	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>143,692</u>	<u>35,872</u>	<u>11,772</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	5,970	1,595	1,056
Other Financing Sources			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,970	1,595	1,056
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(105)</u>	<u>4,042</u>	<u>941</u>
<i>Fund Balances End of Year</i>	<u><u>\$5,865</u></u>	<u><u>\$5,637</u></u>	<u><u>\$1,997</u></u>

Pre-School	Improving Teacher Quality	Assistive Technology	Title II-D	Total Nonmajor Special Revenue Funds
\$23,125	\$90,701	\$0	\$3,992	\$1,480,069
0	0	0	0	1,157
0	0	0	0	446,070
0	0	0	0	239,016
0	0	0	0	1,358,454
0	0	0	0	163,507
0	0	0	0	1,551
<u>23,125</u>	<u>90,701</u>	<u>0</u>	<u>3,992</u>	<u>3,689,824</u>
18,923	67,605	0	1,700	546,047
3,090	0	0	0	337,591
0	0	0	0	13,408
447	8,578	0	0	22,334
0	0	1,331	800	257,185
0	0	0	0	15,635
0	0	0	0	191
0	0	0	0	7,829
0	0	0	0	422,670
0	0	0	0	1,300,917
0	0	0	0	422,609
0	0	0	0	251,868
<u>22,460</u>	<u>76,183</u>	<u>1,331</u>	<u>2,500</u>	<u>3,598,284</u>
665	14,518	(1,331)	1,492	91,540
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,000</u>
665	14,518	(1,331)	1,492	116,540
<u>(665)</u>	<u>5,644</u>	<u>1,331</u>	<u>1,915</u>	<u>463,538</u>
<u>\$0</u>	<u>\$20,162</u>	<u>\$0</u>	<u>\$3,407</u>	<u>\$580,078</u>

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2004

	<u>Permanent Improvement</u>	<u>Building</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$624,481	\$1,270,012	\$15,417	\$1,909,910
Taxes Receivable	<u>391,474</u>	<u>298,925</u>	<u>0</u>	<u>690,399</u>
<i>Total Assets</i>	<u>\$1,015,955</u>	<u>\$1,568,937</u>	<u>\$15,417</u>	<u>\$2,600,309</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$199,517	\$0	\$199,517
Deferred Revenue	282,701	298,925	0	581,626
Accrued Interest Payable	0	1,274	0	1,274
Notes Payable	<u>0</u>	<u>773,000</u>	<u>0</u>	<u>773,000</u>
<i>Total Liabilities</i>	<u>282,701</u>	<u>1,272,716</u>	<u>0</u>	<u>1,555,417</u>
 Fund Balances				
Reserved for Encumbrances	64,335	877,905	0	942,240
Reserved for Property Taxes	106,288	0	0	106,288
Unreserved, Undesignated (Deficit)	<u>562,631</u>	<u>(581,684)</u>	<u>15,417</u>	<u>(3,636)</u>
<i>Total Fund Balances</i>	<u>733,254</u>	<u>296,221</u>	<u>15,417</u>	<u>1,044,892</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,015,955</u>	<u>\$1,568,937</u>	<u>\$15,417</u>	<u>\$2,600,309</u>

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2004

	Permanent Improvement	Building	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Revenues				
Taxes	\$654,950	\$49,821	\$0	\$704,771
Intergovernmental	84,337	0	0	84,337
<i>Total Revenues</i>	<u>739,287</u>	<u>49,821</u>	<u>0</u>	<u>789,108</u>
Expenditures				
Capital Outlay	550,885	1,092,976	0	1,643,861
Debt Service:				
Principal Retirement	0	38,057	0	38,057
Interest and Fiscal Charges	0	26,695	0	26,695
<i>Total Expenditures</i>	<u>550,885</u>	<u>1,157,728</u>	<u>0</u>	<u>1,708,613</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>188,402</u>	<u>(1,107,907)</u>	<u>0</u>	<u>(919,505)</u>
Other Financing Sources (Uses)				
Capital Lease Proceeds	0	1,830,000	0	1,830,000
Transfers In	0	407,083	0	407,083
Transfers Out	(167,196)	0	0	(167,196)
<i>Total Other Financing Sources (Uses)</i>	<u>(167,196)</u>	<u>2,237,083</u>	<u>0</u>	<u>2,069,887</u>
<i>Net Change in Fund Balances</i>	21,206	1,129,176	0	1,150,382
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>712,048</u>	<u>(832,955)</u>	<u>15,417</u>	<u>(105,490)</u>
<i>Fund Balances End of Year</i>	<u><u>\$733,254</u></u>	<u><u>\$296,221</u></u>	<u><u>\$15,417</u></u>	<u><u>\$1,044,892</u></u>

Brecksville-Broadview Heights City School District

Statement of Changes in Assets and Liabilities

Agency Fund

For the Fiscal Year Ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2004</u>
Student Activities Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$110,833</u>	<u>\$209,921</u>	<u>\$182,734</u>	<u>\$138,020</u>
Liabilities				
Due to Students	<u>\$110,833</u>	<u>\$209,921</u>	<u>\$182,734</u>	<u>\$138,020</u>

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

Brecksville-Broadview Heights City School District*Schedule of Revenues, Expenditures and Changes**In Fund Balance - Budget (Non-GAAP Basis) and Actual***General Fund***For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$27,857,488	\$26,259,933	\$27,594,780	\$1,334,847
Intergovernmental	8,953,743	9,211,459	9,211,459	0
Interest	155,000	118,200	118,116	(84)
Tuition and Fees	454,080	684,874	652,884	(31,990)
Extracurricular Activities	43,000	106,000	105,709	(291)
Payment in Lieu of Taxes	40,000	17,848	17,848	0
Rentals	55,000	63,200	63,158	(42)
Charges for Services	439,500	269,775	268,892	(883)
Contributions and Donations	13,500	9,217	9,137	(80)
Miscellaneous	35,200	81,712	81,707	(5)
<i>Total Revenues</i>	<u>38,046,511</u>	<u>36,822,218</u>	<u>38,123,690</u>	<u>1,301,472</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	13,052,274	13,408,310	13,403,595	4,715
Fringe Benefits	4,410,935	4,059,656	4,059,301	355
Purchased Services	287,391	181,219	169,825	11,394
Materials and Supplies	536,095	363,534	326,706	36,828
Capital Outlay - New	42,708	31,373	29,724	1,649
Capital Outlay - Replacement	62,073	52,486	50,973	1,513
Total Regular	<u>18,391,476</u>	<u>18,096,578</u>	<u>18,040,124</u>	<u>56,454</u>
Special:				
Salaries and Wages	2,186,429	2,300,217	2,296,222	3,995
Fringe Benefits	612,313	669,590	669,580	10
Purchased Services	507,833	688,491	677,337	11,154
Materials and Supplies	22,400	18,599	6,857	11,742
Capital Outlay - New	8,100	6,310	1,590	4,720
Other	399,551	364,486	353,267	11,219
Total Special	<u>3,736,626</u>	<u>4,047,693</u>	<u>4,004,853</u>	<u>42,840</u>
Vocational:				
Salaries and Wages	297,471	264,099	263,320	779
Fringe Benefits	77,435	74,600	73,925	675
Capital Outlay - New	9,657	9,657	8,978	679
Capital Outlay - Replacement	2,400	7,134	6,989	145
Total Vocational	<u>386,963</u>	<u>355,490</u>	<u>353,212</u>	<u>2,278</u>
Total Instruction	<u>\$22,515,065</u>	<u>\$22,499,761</u>	<u>\$22,398,189</u>	<u>\$101,572</u>

(continued)

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

In Fund Balance - Budget (Non-GAAP Basis) and Actual

General Fund (continued)

For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupil:				
Salaries and Wages	\$2,052,011	\$1,894,012	\$1,893,163	\$849
Fringe Benefits	483,758	543,288	543,285	3
Purchased Services	37,724	17,424	16,123	1,301
Materials and Supplies	28,243	23,143	21,236	1,907
Capital Outlay - New	145,127	139,477	136,229	3,248
Other	750	0	0	0
Total Pupil	2,747,613	2,617,344	2,610,036	7,308
Instructional Staff:				
Salaries and Wages	1,140,329	1,184,679	1,184,543	136
Fringe Benefits	297,613	396,820	396,682	138
Purchased Services	58,533	23,708	19,114	4,594
Materials and Supplies	122,499	111,129	108,607	2,522
Capital Outlay - New	1,000	0	0	0
Other	1,500	500	467	33
Total Instructional Staff	1,621,474	1,716,836	1,709,413	7,423
Board of Education:				
Salaries and Wages	8,000	6,720	6,720	0
Fringe Benefits	750	500	420	80
Purchased Services	29,981	26,032	19,464	6,568
Other	75,500	75,949	74,715	1,234
Total Board of Education	114,231	109,201	101,319	7,882
Administration:				
Salaries and Wages	2,064,793	1,923,765	1,923,517	248
Fringe Benefits	737,077	726,206	726,206	0
Purchased Services	266,508	244,709	243,085	1,624
Materials and Supplies	29,736	22,626	17,151	5,475
Capital Outlay - New	13,093	2,993	1,946	1,047
Other	134,718	115,734	115,676	58
Total Administration	3,245,925	3,036,033	3,027,581	8,452
Fiscal:				
Salaries and Wages	243,500	235,675	235,482	193
Fringe Benefits	87,880	78,980	78,587	393
Purchased Services	83,268	28,268	25,298	2,970
Materials and Supplies	15,360	9,860	9,776	84
Capital Outlay - New	3,500	2,500	0	2,500
Capital Outlay - Replacement	4,500	2,500	0	2,500
Other	448,000	477,075	476,483	592
Total Fiscal	\$886,008	\$834,858	\$825,626	\$9,232

(continued)

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

In Fund Balance - Budget (Non-GAAP Basis) and Actual

General Fund (continued)

For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Business:				
Salaries and Wages	\$239,100	\$209,600	\$208,684	\$916
Fringe Benefits	86,834	86,759	86,129	630
Purchased Services	151,183	106,333	100,782	5,551
Materials and Supplies	19,101	21,600	20,297	1,303
Capital Outlay - New	4,441	2,441	2,441	0
Capital Outlay - Replacement	3,000	1,200	650	550
Other	1,100	950	945	5
Total Business	504,759	428,883	419,928	8,955
Operation and Maintenance of Plant:				
Salaries and Wages	2,135,280	1,760,549	1,759,892	657
Fringe Benefits	682,285	673,585	670,895	2,690
Purchased Services	1,855,495	1,719,745	1,657,310	62,435
Materials and Supplies	282,791	275,991	223,643	52,348
Capital Outlay - New	22,550	22,550	22,000	550
Capital Outlay - Replacement	83,050	91,549	79,097	12,452
Other	12,750	23,595	23,595	0
Total Operation and Maintenance of Plant	5,074,201	4,567,564	4,436,432	131,132
Pupil Transportation:				
Salaries and Wages	1,700,199	1,567,076	1,566,781	295
Fringe Benefits	394,695	508,646	508,538	108
Purchased Services	263,454	276,574	263,698	12,876
Materials and Supplies	369,763	337,763	330,244	7,519
Capital Outlay - Replacement	187,299	174,498	170,726	3,772
Total Pupil Transportation	2,915,410	2,864,557	2,839,987	24,570
Central:				
Salaries and Wages	65,800	65,000	64,881	119
Fringe Benefits	28,674	29,158	28,935	223
Purchased Services	122,681	112,370	86,646	25,724
Materials and Supplies	16,850	16,850	12,711	4,139
Capital Outlay - New	600	600	0	600
Other	750	535	535	0
Total Central	235,355	224,513	193,708	30,805
Total Support Services	17,344,976	16,399,789	16,164,030	235,759
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	89,744	90,625	90,177	448
Fringe Benefits	17,750	19,155	18,595	560
Purchased Services	2,300	2,300	2,300	0
Total Academic and Subject Oriented Activities	\$109,794	\$112,080	\$111,072	\$1,008

(continued)

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

In Fund Balance - Budget (Non-GAAP Basis) and Actual

General Fund (continued)

For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Sports Oriented Activities:				
Salaries and Wages	\$475,995	\$460,996	\$460,692	\$304
Fringe Benefits	91,190	79,816	79,593	223
Purchased Services	0	24,250	24,158	92
Total Sports Oriented Activities	567,185	565,062	564,443	619
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	18,575	22,325	22,147	178
Fringe Benefits	2,800	3,125	2,749	376
Total School and Public Service				
Co-Curricular Activities	21,375	25,450	24,896	554
Total Extracurricular Activities	698,354	702,592	700,411	2,181
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	36,700	15,700	15,492	208
Debt Service:				
Principal Retirement	18,500	18,500	18,500	0
Interest and Fiscal Charges	6,714	6,714	6,714	0
Total Debt Service	25,214	25,214	25,214	0
Total Expenditures	40,620,309	39,643,056	39,303,336	339,720
Excess of Revenues Under Expenditures	(2,573,798)	(2,820,838)	(1,179,646)	1,641,192
Other Financing Sources (Uses)				
Sale of Capital Assets	1,265	6,988	6,988	0
Advances In	3,000	35,000	35,000	0
Advances Out	(24,000)	(50,000)	(50,000)	0
Transfers Out	(370,000)	(264,887)	(264,887)	0
Total Other Financing Sources (Uses)	(389,735)	(272,899)	(272,899)	0
Net Change in Fund Balance	(2,963,533)	(3,093,737)	(1,452,545)	1,641,192
Fund Balance Beginning of Year	3,150,631	3,150,631	3,150,631	0
Prior Year Encumbrances Appropriated	578,807	578,807	578,807	0
Fund Balance End of Year	\$765,905	\$635,701	\$2,276,893	\$1,641,192

Brecksville-Broadview Heights City School District*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund**For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues				
Taxes	\$3,413,296	\$4,317,051	\$3,523,169	(\$793,882)
Intergovernmental	350,248	345,713	345,713	0
<i>Total Revenues</i>	<u>3,763,544</u>	<u>4,662,764</u>	<u>3,868,882</u>	<u>(793,882)</u>
Expenditures				
Debt Service:				
Principal Retirement	2,823,000	2,823,000	2,823,000	0
Interest and Fiscal Charges	1,913,118	1,913,035	1,913,035	0
<i>Total Expenditures</i>	<u>4,736,118</u>	<u>4,736,035</u>	<u>4,736,035</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(972,574)</u>	<u>(73,271)</u>	<u>(867,153)</u>	<u>(793,882)</u>
Other Financing Sources				
General Obligation Notes Issued	800,000	773,000	773,000	0
Swap Payments	0	826,500	826,500	0
Transfers In	212,970	239,887	239,887	0
<i>Total Other Financing Sources</i>	<u>1,012,970</u>	<u>1,839,387</u>	<u>1,839,387</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	40,396	1,766,116	972,234	(793,882)
<i>Fund Balance Beginning of Year</i>	<u>2,684,065</u>	<u>2,684,065</u>	<u>2,684,065</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,724,461</u>	<u>\$4,450,181</u>	<u>\$3,656,299</u>	<u>(\$793,882)</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$102,500	\$143,578	\$143,561	(\$17)
Charges for Services	1,013,000	1,086,210	1,086,187	(23)
<i>Total Revenues</i>	<u>1,115,500</u>	<u>1,229,788</u>	<u>1,229,748</u>	<u>(40)</u>
Expenditures				
Current:				
Food Service Operations:				
Salaries and Wages	570,870	579,725	579,651	74
Fringe Benefits	194,980	226,573	225,883	690
Purchased Services	6,900	7,135	6,288	847
Materials and Supplies	451,720	449,754	426,298	23,456
Capital Outlay - New	0	1,470	1,394	76
Other	750	860	858	2
<i>Total Expenditures</i>	<u>1,225,220</u>	<u>1,265,517</u>	<u>1,240,372</u>	<u>25,145</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(109,720)</u>	<u>(35,729)</u>	<u>(10,624)</u>	<u>25,105</u>
Other Financing Sources (Uses)				
Advances In	84,500	50,000	50,000	0
Advances Out	(10,000)	0	0	0
Transfers In	100,000	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>174,500</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	64,780	14,271	39,376	25,105
<i>Fund Balance Beginning of Year</i>	18,459	18,459	18,459	0
Prior Year Encumbrances Appropriated	220	220	220	0
<i>Fund Balance End of Year</i>	<u><u>\$83,459</u></u>	<u><u>\$32,950</u></u>	<u><u>\$58,055</u></u>	<u><u>\$25,105</u></u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$0	\$225	\$224	(\$1)
Charges for Services	5,500	4,205	4,130	(75)
Contributions and Donations	62,500	58,600	58,213	(387)
<i>Total Revenues</i>	<u>68,000</u>	<u>63,030</u>	<u>62,567</u>	<u>(463)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Other	4,612	3,493	2,837	656
Support Services:				
Administration:				
Materials and Supplies	272	926	430	496
Other	0	140	140	0
Total Administration	272	1,066	570	496
Fiscal:				
Materials and Supplies	0	200	191	9
Total Support Services	272	1,266	761	505
Operation of Non-Instructional Services:				
Community Services:				
Other	111,644	111,644	59,314	52,330
<i>Total Expenditures</i>	<u>116,528</u>	<u>116,403</u>	<u>62,912</u>	<u>53,491</u>
<i>Net Change in Fund Balance</i>	(48,528)	(53,373)	(345)	53,028
<i>Fund Balance Beginning of Year</i>	68,646	68,646	68,646	0
Prior Year Encumbrances Appropriated	1,384	1,384	1,384	0
<i>Fund Balance End of Year</i>	<u>\$21,502</u>	<u>\$16,657</u>	<u>\$69,685</u>	<u>\$53,028</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$192,400	\$172,400	\$172,032	(\$368)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	204,082	197,263	178,012	19,251
<i>Excess of Revenues Under Expenditures</i>	(11,682)	(24,863)	(5,980)	18,883
Other Financing Sources (Uses)				
Advances In	160,000	0	0	0
Advances Out	(160,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	(11,682)	(24,863)	(5,980)	18,883
<i>Fund Balance Beginning of Year</i>	52,584	52,584	52,584	0
Prior Year Encumbrances Appropriated	5,782	5,782	5,782	0
<i>Fund Balance End of Year</i>	<u>\$46,684</u>	<u>\$33,503</u>	<u>\$52,386</u>	<u>\$18,883</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$134,500	\$98,775	\$98,579	(\$196)
Contributions and Donations	35,000	26,700	26,623	(77)
<i>Total Revenues</i>	<u>169,500</u>	<u>125,475</u>	<u>125,202</u>	<u>(273)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	5,200	5,200	2,844	2,356
Materials and Supplies	26,889	26,889	19,494	7,395
Capital Outlay - New	47,785	23,785	17,595	6,190
Other	120,866	108,208	96,551	11,657
<i>Total Expenditures</i>	<u>200,740</u>	<u>164,082</u>	<u>136,484</u>	<u>27,598</u>
<i>Excess of Revenues Under Expenditures</i>	(31,240)	(38,607)	(11,282)	27,325
Other Financing Uses				
Transfers Out	(300)	(300)	0	300
<i>Net Change in Fund Balance</i>	(31,540)	(38,907)	(11,282)	27,625
<i>Fund Balance Beginning of Year</i>	70,973	70,973	70,973	0
Prior Year Encumbrances Appropriated	27,440	27,440	27,440	0
<i>Fund Balance End of Year</i>	<u>\$66,873</u>	<u>\$59,506</u>	<u>\$87,131</u>	<u>\$27,625</u>

Brecksville-Broadview Heights City School District*Schedule of Revenues, Expenditures and Changes**In Fund Balance - Budget (Non-GAAP Basis) and Actual***Other Grants Fund***For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Contributions and Donations	\$61,000	\$60,535	\$60,268	(\$267)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	150	150	0	150
Purchased Services	442	1,317	500	817
Materials and Supplies	395	2,119	1,618	501
Capital Outlay - New	219	1,233	1,047	186
Other	173	173	0	173
Total Regular	1,379	4,992	3,165	1,827
Adult/Continuing:				
Salaries and Wages	56	17,671	12,564	5,107
Fringe Benefits	22	2,517	1,894	623
Materials and Supplies	0	3,100	3,016	84
Capital Outlay - New	5,239	6,189	5,933	256
Other	0	350	269	81
Total Adult/Continuing	5,317	29,827	23,676	6,151
Total Instruction	6,696	34,819	26,841	7,978
Support Services:				
Pupil:				
Materials and Supplies	72	72	70	2
Instructional Staff:				
Salaries and Wages	1,000	1,000	0	1,000
Purchased Services	8	8	0	8
Materials and Supplies	547	547	0	547
Total Instructional Staff	1,555	1,555	0	1,555
Total Support Services	\$1,627	\$1,627	\$70	\$1,557

(continued)

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

In Fund Balance - Budget (Non-GAAP Basis) and Actual

Other Grants Fund (continued)

For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$49,776	\$54,890	\$54,890	\$0
Fringe Benefits	13,177	17,929	17,900	29
Purchased Services	46,770	6,900	4,791	2,109
Materials and Supplies	5,700	4,800	2,781	2,019
Capital Outlay - Replacement	400	400	350	50
Other	282	0	0	0
Total Operation of Non-Instructional Services:	116,105	84,919	80,712	4,207
<i>Total Expenditures</i>	124,428	121,365	107,623	13,742
<i>Excess of Revenues Under Expenditures</i>	(63,428)	(60,830)	(47,355)	13,475
Other Financing Sources				
Transfers In	25,000	25,000	25,000	0
<i>Net Change in Fund Balance</i>	(38,428)	(35,830)	(22,355)	13,475
<i>Fund Balance Beginning of Year</i>	62,766	62,766	62,766	0
Prior Year Encumbrances Appropriated	5,349	5,349	5,349	0
<i>Fund Balance End of Year</i>	\$29,687	\$32,285	\$45,760	\$13,475

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Child Care Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Tuition and Fees	\$450,000	\$449,100	\$447,630	(\$1,470)
Contributions and Donations	27,200	18,225	18,121	(104)
<i>Total Revenues</i>	<u>477,200</u>	<u>467,325</u>	<u>465,751</u>	<u>(1,574)</u>
Expenditures				
Current:				
Child Care Operations				
Salaries and Wages	282,800	238,540	238,539	1
Fringe Benefits	83,184	83,184	82,188	996
Purchased Services	69,443	107,755	101,705	6,050
Materials and Supplies	11,900	11,846	9,690	2,156
Other	0	189	189	0
<i>Total Expenditures</i>	<u>447,327</u>	<u>441,514</u>	<u>432,311</u>	<u>9,203</u>
<i>Excess of Revenues Over Expenditures</i>	<u>29,873</u>	<u>25,811</u>	<u>33,440</u>	<u>7,629</u>
Other Financing Sources (Uses)				
Advances In	40,000	0	0	0
Advances Out	(40,000)	(35,000)	(35,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	29,873	(9,189)	(1,560)	7,629
<i>Fund Balance Beginning of Year</i>	27,490	27,490	27,490	0
Prior Year Encumbrances Appropriated	7,253	7,253	7,253	0
<i>Fund Balance End of Year</i>	<u>\$64,616</u>	<u>\$25,554</u>	<u>\$33,183</u>	<u>7,629</u>

Brecksville-Broadview Heights City School District*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics Fund**For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$1,700	\$700	\$276	(\$424)
Extracurricular Activities	280,500	243,600	239,016	(4,584)
Contributions and Donations	30,000	1,000	478	(522)
<i>Total Revenues</i>	<u>312,200</u>	<u>245,300</u>	<u>239,770</u>	<u>(5,530)</u>
Expenditures				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Purchased Services	114,650	70,556	58,532	12,024
Materials and Supplies	21,700	20,501	10,719	9,782
Capital Outlay - New	101,980	105,177	89,572	15,605
Other	116,674	115,537	99,569	15,968
<i>Total Expenditures</i>	<u>355,004</u>	<u>311,771</u>	<u>258,392</u>	<u>53,379</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(42,804)</u>	<u>(66,471)</u>	<u>(18,622)</u>	<u>47,849</u>
Other Financing Sources (Uses)				
Transfers In	20,000	0	0	0
Transfers Out	(10,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(32,804)</u>	<u>(66,471)</u>	<u>(18,622)</u>	<u>47,849</u>
<i>Fund Balance Beginning of Year</i>	60,395	60,395	60,395	0
Prior Year Encumbrances Appropriated	26,355	26,355	26,355	0
<i>Fund Balance End of Year</i>	<u>\$53,946</u>	<u>\$20,279</u>	<u>\$68,128</u>	<u>\$47,849</u>

Brecksville-Broadview Heights City School District

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$277,589	\$299,223	\$293,988	(\$5,235)
Interest	5,450	760	657	(103)
<i>Total Revenues</i>	<u>283,039</u>	<u>299,983</u>	<u>294,645</u>	<u>(5,338)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Other Operation of Non-Instructional Services:				
Purchased Services	119,827	183,242	177,457	5,785
Materials and Supplies	205,243	158,099	104,305	53,794
Capital Outlay - New	42,875	48,962	45,429	3,533
<i>Total Expenditures</i>	<u>367,945</u>	<u>390,303</u>	<u>327,191</u>	<u>63,112</u>
<i>Net Change in Fund Balance</i>	(84,906)	(90,320)	(32,546)	57,774
<i>Fund Balance Beginning of Year</i>	367	367	367	0
Prior Year Encumbrances Appropriated	<u>90,309</u>	<u>90,309</u>	<u>90,309</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,770</u>	<u>\$356</u>	<u>\$58,130</u>	<u>\$57,774</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	1,789	1,789	1,789	0
Fringe Benefits	1,417	1,417	1,417	0
Purchased Services	6,634	6,634	0	6,634
Materials and Supplies	2,943	2,943	0	2,943
<i>Total Expenditures</i>	12,783	12,783	3,206	9,577
<i>Net Change in Fund Balance</i>	(12,783)	(12,783)	(3,206)	9,577
<i>Fund Balance Beginning of Year</i>	12,783	12,783	12,783	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$9,577	\$9,577

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$17,569	\$16,922	\$16,922	\$0
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	10,866	11,288	0	11,288
Purchased Services	4,742	5,242	2,537	2,705
Materials and Supplies	6,312	6,312	5,499	813
Capital Outlay - New	7,000	6,500	1,910	4,590
<i>Total Expenditures</i>	<u>28,920</u>	<u>29,342</u>	<u>9,946</u>	<u>19,396</u>
<i>Net Change in Fund Balance</i>	(11,351)	(12,420)	6,976	19,396
<i>Fund Balance Beginning of Year</i>	11,351	11,351	11,351	0
Prior Year Encumbrances Appropriated	<u>1,069</u>	<u>1,069</u>	<u>1,069</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,069</u>	<u>\$0</u>	<u>\$19,396</u>	<u>\$19,396</u>

Brecksville-Broadview Heights City School District

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
One Net Fund*

For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$21,000	\$18,000	\$18,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	0	18,000	18,000	0
Capital Outlay - New	1,060	1,060	1,060	0
<i>Total Expenditures</i>	1,060	19,060	19,060	0
<i>Net Change in Fund Balance</i>	19,940	(1,060)	(1,060)	0
<i>Fund Balance Beginning of Year</i>	1,060	1,060	1,060	0
<i>Fund Balance End of Year</i>	\$21,000	\$0	\$0	\$0

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$6,000	\$4,140	\$4,140	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>4,600</u>	<u>8,740</u>	<u>6,850</u>	<u>1,890</u>
<i>Net Change in Fund Balance</i>	1,400	(4,600)	(2,710)	1,890
<i>Fund Balance Beginning of Year</i>	<u>4,600</u>	<u>4,600</u>	<u>4,600</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,000</u></u>	<u><u>\$0</u></u>	<u><u>\$1,890</u></u>	<u><u>\$1,890</u></u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Classroom Grant Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$27,000	\$29,000	\$27,012	(\$1,988)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	28,630	16,129	9,944	6,185
Purchased Services	90	90	76	14
Materials and Supplies	1,790	9,441	8,567	874
Capital Outlay - New	2	2	0	2
Total Instruction	30,512	25,662	18,587	7,075
Support Services:				
Pupil:				
Salaries and Wages	0	2,010	2,010	0
Purchased Services	940	3,092	3,092	0
Total Pupil	940	5,102	5,102	0
Instructional Staff:				
Purchased Services	0	98	0	98
Materials and Supplies	0	100	100	0
Total Instructional Staff	0	198	100	98
Administration:				
Salaries and Wages	0	2,490	2,300	190
Total Support Services	940	7,790	7,502	288
<i>Total Expenditures</i>	31,452	33,452	26,089	7,363
<i>Net Change in Fund Balance</i>	(4,452)	(4,452)	923	(5,375)
<i>Fund Balance Beginning of Year</i>	1,853	1,853	1,853	0
Prior Year Encumbrances Appropriated	2,599	2,599	2,599	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$5,375	(5,375)

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Intervention Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$77,299	\$77,299	\$77,299	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	55,135	55,135	55,135	0
Fringe Benefits	15,000	15,000	11,840	3,160
Materials and Supplies	7,164	7,164	7,164	0
Capital Outlay - New	257	257	0	257
<i>Total Expenditures</i>	<u>77,556</u>	<u>77,556</u>	<u>74,139</u>	<u>3,417</u>
<i>Net Change in Fund Balance</i>	(257)	(257)	3,160	3,417
<i>Fund Balance Beginning of Year</i>	<u>257</u>	<u>257</u>	<u>257</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$3,417</u>	<u>\$3,417</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Level Teachers Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$4,000	\$6,600	\$2,600	(\$4,000)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	0	6,600	6,600	0
Purchased Services	1,000	1,000	0	1,000
Materials and Supplies	1,500	1,500	0	1,500
Capital Outlay - New	1,500	1,500	0	1,500
<i>Total Expenditures</i>	4,000	10,600	6,600	4,000
<i>Net Change in Fund Balance</i>	0	(4,000)	(4,000)	0
<i>Fund Balance Beginning of Year</i>	4,000	4,000	4,000	0
<i>Fund Balance End of Year</i>	<u>\$4,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Safe School Help Line Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$4,000	\$4,014	\$4,014	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	3,815	7,829	7,829	0
<i>Net Change in Fund Balance</i>	185	(3,815)	(3,815)	0
<i>Fund Balance Beginning of Year</i>	3,815	3,815	3,815	0
<i>Fund Balance End of Year</i>	\$4,000	\$0	\$0	\$0

Brecksville-Broadview Heights City School District

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$486,906	\$483,572	\$483,572	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	150,000	134,847	134,447	400
Materials and Supplies	62,557	68,645	67,265	1,380
Capital Outlay - New	8,025	11,866	11,841	25
Capital Outlay - Replacement	288	301	301	0
Other	1,900	1,375	1,121	254
Total Instruction	222,770	217,034	214,975	2,059
Support Services:				
Pupil:				
Purchased Services	663	654	642	12
Materials and Supplies	37	42	42	0
Total Pupil	700	696	684	12
Instructional Staff:				
Salaries and Wages	108,311	108,311	108,309	2
Fringe Benefits	46,916	43,592	40,565	3,027
Purchased Services	69,236	88,838	87,358	1,480
Materials and Supplies	12,223	1,367	1,367	0
Capital Outlay - New	8,144	5,443	3,298	2,145
Capital Outlay - Replacement	26	9	9	0
Other	1,900	1,812	1,812	0
Total Instructional Staff	246,756	249,372	242,718	6,654
Administration:				
Materials and Supplies	1,500	1,292	1,292	0
Total Support Services	\$248,956	\$251,360	\$244,694	\$6,666

(continued)

Brecksville-Broadview Heights City School District

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual*

Title VI-B Fund (continued)

For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$12,000	\$12,000	\$11,326	\$674
Fringe Benefits	4,484	4,484	1,869	2,615
Materials and Supplies	519	518	515	3
Total Operation of Non-Instructional Services	17,003	17,002	13,710	3,292
<i>Total Expenditures</i>	488,729	485,396	473,379	12,017
<i>Net Change in Fund Balance</i>	(1,823)	(1,824)	10,193	12,017
<i>Fund Balance (Deficit) Beginning of Year</i>	(6,462)	(6,462)	(6,462)	0
<i>Prior Year Encumbrances Appropriated</i>	8,286	8,286	8,286	0
<i>Fund Balance End of Year</i>	\$1	\$0	\$12,017	\$12,017

Brecksville-Broadview Heights City School District

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$12,262	\$16,336	\$15,949	(\$387)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	11,524	9,179	8,506	673
Fringe Benefits	0	1,798	191	1,607
Purchased Services	0	3,390	3,390	0
Materials and Supplies	3,000	3,844	3,292	552
<i>Total Expenditures</i>	14,524	18,211	15,379	2,832
<i>Net Change in Fund Balance</i>	(2,262)	(1,875)	570	2,445
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	2,262	2,262	2,262	0
<i>Fund Balance End of Year</i>	\$0	\$387	\$2,832	\$2,445

Brecksville-Broadview Heights City School District*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual***Title I Fund***For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$151,231	\$149,662	\$149,662	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	116,319	114,750	114,750	0
Fringe Benefits	13,849	13,849	13,849	0
Purchased Services	1,379	1,379	0	1,379
Materials and Supplies	7,900	7,900	7,601	299
Capital Outlay - New	3,568	3,568	2,803	765
Total Instruction	143,015	141,446	139,003	2,443
Support Services:				
Instructional Staff:				
Purchased Services	3,500	3,500	1,967	1,533
Materials and Supplies	3,500	3,500	3,500	0
Total Instructional Staff	7,000	7,000	5,467	1,533
Administration:				
Salaries and Wages	1,000	1,000	1,000	0
Fringe Benefits	155	155	155	0
Total Administration	1,155	1,155	1,155	0
Total Support Services	8,155	8,155	6,622	1,533
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	200	200	0	200
Total Expenditures	151,370	149,801	145,625	4,176
Net Change in Fund Balance	(139)	(139)	4,037	4,176
Fund Balance Beginning of Year	139	139	139	0
Fund Balance End of Year	\$0	\$0	\$4,176	\$4,176

Brecksville-Broadview Heights City School District

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V Fund*

For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	<u>\$40,595</u>	<u>\$40,584</u>	<u>\$40,584</u>	<u>\$0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	34,010	32,339	32,339	0
Fringe Benefits	<u>3,610</u>	<u>3,610</u>	<u>3,610</u>	<u>0</u>
Total Instruction	<u>37,620</u>	<u>35,949</u>	<u>35,949</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,974	2,974	0	2,974
Materials and Supplies	<u>1,003</u>	<u>2,663</u>	<u>0</u>	<u>2,663</u>
Total Operation of Non-Instructional Services:	<u>3,977</u>	<u>5,637</u>	<u>0</u>	<u>5,637</u>
<i>Total Expenditures</i>	<u>41,597</u>	<u>41,586</u>	<u>35,949</u>	<u>5,637</u>
<i>Net Change in Fund Balance</i>	(1,002)	(1,002)	4,635	5,637
<i>Fund Balance Beginning of Year</i>	<u>1,002</u>	<u>1,002</u>	<u>1,002</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$5,637</u>	<u>\$5,637</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$12,828	\$12,828	\$12,828	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	778	1,348	1,302	46
Support Services:				
Administration:				
Salaries and Wages	9,000	9,000	9,000	0
Fringe Benefits	1,500	1,500	1,500	0
Total Support Services	10,500	10,500	10,500	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,329	1,329	0	1,329
Materials and Supplies	621	622	0	622
Total Operation of Non-Instructional Services	1,950	1,951	0	1,951
<i>Total Expenditures</i>	13,228	13,799	11,802	1,997
<i>Net Change in Fund Balance</i>	(400)	(971)	1,026	1,997
<i>Fund Balance Beginning of Year</i>	571	571	571	0
Prior Year Encumbrances Appropriated	400	400	400	0
<i>Fund Balance End of Year</i>	\$571	\$0	\$1,997	\$1,997

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Pre-School Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$23,188	\$23,125	\$23,125	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	19,588	19,588	19,588	0
Special:				
Capital Outlay - New	3,116	3,090	3,090	0
Total Instruction	22,704	22,678	22,678	0
Support Services:				
Pupil:				
Materials and Supplies	484	447	447	0
<i>Total Expenditures</i>	23,188	23,125	23,125	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Brecksville-Broadview Heights City School District*Schedule of Revenues, Expenditures and Changes**In Fund Balance - Budget (Non-GAAP Basis) and Actual***Improving Teacher Quality Fund***For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$94,067	\$90,701	\$90,701	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	58,824	59,841	55,976	3,865
Fringe Benefits	15,854	8,815	8,394	421
Materials and Supplies	1,761	1,912	1,912	0
Capital Outlay - New	5,000	5,000	0	5,000
Total Instruction	81,439	75,568	66,282	9,286
Support Services:				
Pupil:				
Purchased Services	9,102	72	72	0
Materials and Supplies	3,468	0	0	0
Total Pupil	12,570	72	72	0
Instructional Staff:				
Purchased Services	0	16,270	7,525	8,745
Materials and Supplies	0	3,104	1,133	1,971
Total Instructional Staff	0	19,374	8,658	10,716
Total Support Services	12,570	19,446	8,730	10,716
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,530	1,670	0	1,670
<i>Total Expenditures</i>	95,539	96,684	75,012	21,672
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,472)	(5,983)	15,689	21,672
Other Financing Uses				
Transfers Out	(4,511)	0	0	0
<i>Net Change in Fund Balance</i>	(5,983)	(5,983)	15,689	21,672
<i>Fund Balance Beginning of Year</i>	5,760	5,760	5,760	0
<i>Prior Year Encumbrances Appropriated</i>	223	223	223	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$21,672	\$21,672

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

In Fund Balance - Budget (Non-GAAP Basis) and Actual

Assistive Technology Fund

For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,601	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	1,601	0	0	0
Capital Outlay - New	1,941	1,941	1,941	0
<i>Total Expenditures</i>	3,542	1,941	1,941	0
<i>Net Change in Fund Balance</i>	(1,941)	(1,941)	(1,941)	0
<i>Fund Balance Beginning of Year</i>	339	339	339	0
<i>Prior Year Encumbrances Appropriated</i>	1,602	1,602	1,602	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-D Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,179	\$3,992	\$3,992	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	2,379	2,951	1,700	1,251
Support Services:				
Pupil:				
Purchased Services	1,500	1,500	0	1,500
Materials and Supplies	415	415	0	415
Total Pupil	1,915	1,915	0	1,915
Instructional Staff:				
Purchased Services	800	1,000	800	200
Total Support Services	2,715	2,915	800	2,115
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	41	0	41
<i>Total Expenditures</i>	5,094	5,907	2,500	3,407
<i>Net Change in Fund Balance</i>	(1,915)	(1,915)	1,492	3,407
<i>Fund Balance Beginning of Year</i>	1,915	1,915	1,915	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$3,407	\$3,407

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$659,076	\$651,848	\$662,607	\$10,759
Intergovernmental	84,034	84,337	84,337	0
<i>Total Revenues</i>	<u>743,110</u>	<u>736,185</u>	<u>746,944</u>	<u>10,759</u>
Expenditures				
Current:				
Pupil Transportation:				
Purchased Services	44,162	44,162	0	44,162
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Purchased Services	50,131	25,477	3,360	22,117
Capital Outlay - New	385,930	368,081	238,752	129,329
Total Site Acquisition Services	436,061	393,558	242,112	151,446
Building Acquisition and Construction Services:				
Purchased Services	800,000	785,000	423,207	361,793
Total Capital Outlay	<u>1,236,061</u>	<u>1,178,558</u>	<u>665,319</u>	<u>513,239</u>
<i>Total Expenditures</i>	<u>1,280,223</u>	<u>1,222,720</u>	<u>665,319</u>	<u>557,401</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(537,113)	(486,535)	81,625	568,160
Other Financing Uses				
Transfers Out	0	(167,196)	(167,196)	0
<i>Net Change in Fund Balance</i>	(537,113)	(653,731)	(85,571)	568,160
<i>Fund Balance Beginning of Year</i>	508,494	508,494	508,494	0
Prior Year Encumbrances Appropriated	137,223	137,223	137,223	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$108,604</u>	<u>(\$8,014)</u>	<u>\$560,146</u>	<u>\$568,160</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Capital Outlay - New	0	657	0	657
Site Improvement Services:				
Purchased Services	7,814	7,814	0	7,814
Building Improvement Services:				
Capital Outlay - New	158,461	325,000	325,000	0
Other Facilities Acquisition and Construction Services:				
Capital Outlay - New	<u>0</u>	<u>1,830,000</u>	<u>1,645,881</u>	<u>184,119</u>
<i>Total Expenditures</i>	<u>166,275</u>	<u>2,163,471</u>	<u>1,970,881</u>	<u>192,590</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(166,275)</u>	<u>(2,163,471)</u>	<u>(1,970,881)</u>	<u>192,590</u>
Other Financing Sources				
Capital Lease Issued	0	1,830,000	1,830,000	0
Transfers In	<u>167,196</u>	<u>167,196</u>	<u>167,196</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>167,196</u>	<u>1,997,196</u>	<u>1,997,196</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	921	(166,275)	26,315	192,590
<i>Fund Balance Beginning of Year</i>	37,776	37,776	37,776	0
Prior Year Encumbrances Appropriated	<u>128,499</u>	<u>128,499</u>	<u>128,499</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$167,196</u>	<u>\$0</u>	<u>\$192,590</u>	<u>\$192,590</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	15,417	15,417	0	15,417
Capital Outlay - New	50,000	0	0	0
<i>Total Expenditures</i>	<u>65,417</u>	<u>15,417</u>	<u>0</u>	<u>15,417</u>
<i>Net Change in Fund Balance</i>	(15,417)	(15,417)	0	15,417
<i>Fund Balance Beginning of Year</i>	15,417	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>15,417</u>	<u>15,417</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$15,417</u></u>	<u><u>\$15,417</u></u>

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenses and Changes

In Fund Equity - Budget (Non-GAAP Basis) and Actual

Employee Benefits Self-Insurance Fund

For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$600,000	\$572,500	\$572,315	(\$185)
Expenses				
Purchased Services	19,034	20,750	14,780	5,970
Claims	581,396	634,680	634,680	0
<i>Total Expenses</i>	600,430	655,430	649,460	5,970
<i>Net Change in Fund Equity</i>	(430)	(82,930)	(77,145)	5,785
<i>Fund Equity Beginning of Year</i>	458,474	458,474	458,474	0
Prior Year Encumbrances Appropriated	430	430	430	0
<i>Fund Equity End of Year</i>	\$458,474	\$375,974	\$381,759	\$5,785

Statistical Section

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S-2 - S-9
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S-10 - S-19
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S-20 - S-25
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S-25 - S-27
Operating Information These schedules contain service 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.	S-28 - S-42

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The School District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that fiscal year.

Brecksville-Broadview Heights City School District

Changes in Net Assets

Last Four Fiscal Years

(accrual basis of accounting)

	2001	2002	2003	2004
Program Revenues				
Charges for Services				
Regular Instruction	\$550,483	\$856,076	\$685,361	\$577,050
Special Instruction	86,280	154,911	273,870	219,020
Administration	0	0	0	453
Fiscal	0	29,376	11,087	37,316
Business	25,347	23,716	31,194	0
Operation and Maintenance of Plant	76,452	50,159	47,249	56,020
Pupil Transportation	4,642	12,516	0	28,109
Operation of Non-Instruction Services	14,725	22,626	3,549	699
Food Service Operations	963,057	969,961	1,012,054	1,086,128
Child Care Operations	365,362	453,884	474,007	446,070
Extracurricular Activities	261,454	227,023	236,459	348,001
Operating Grants, Contributions and Interest				
Regular Instruction	185,046	202,802	194,378	306,234
Special Instruction	227,873	340,113	247,805	343,561
Vocational Instruction	0	0	0	19,714
Adult/Continuing Instruction	25,460	0	14,540	0
Pupil Support	39,513	15,996	87,496	21,575
Staff Support	78,644	14,592	159,539	292,249
Administration	15,261	0	16,657	16,273
Operation and Maintenance of Plant	0	0	21,000	0
Central	6,825	4,114	3,815	4,014
Operation of Non-Instruction Services	352,816	315,062	399,440	426,512
Food Service Operations	171,351	184,601	142,931	218,411
Child Care Operations	28,413	5,630	19,031	18,121
Extracurricular Activities	600	604	2,050	478
Capital Grants and Contributions				
Regular Instruction	44,124	0	62,409	0
Pupil Transportation	77,199	61,371	161,672	28,057
<i>Total Program Revenues</i>	<u>3,600,927</u>	<u>3,945,133</u>	<u>4,307,593</u>	<u>4,494,065</u>
Expenses				
Regular Instruction	16,903,574	16,928,235	18,461,540	19,768,980
Special Instruction	2,668,254	3,300,946	3,822,794	4,395,982
Vocational Instruction	323,441	356,858	361,761	361,984
Adult/Continuing Instruction	23,088	21,927	28,314	13,408
Pupil Support	2,791,267	2,673,608	2,552,380	2,675,443
Instructional Staff Support	884,751	1,329,824	1,715,541	2,020,968
Board of Education	45,699	62,454	99,981	48,449
Administration	2,307,960	2,478,274	3,027,354	2,988,642
Fiscal	664,678	724,740	723,931	797,836
Business	390,817	324,061	271,185	470,997
Operation and Maintenance of Plant	3,698,845	3,831,495	4,507,956	4,166,381
Pupil Transportation	2,340,057	2,385,949	2,707,920	2,682,909
Central	221,233	229,345	203,997	203,397
Operation of Non-Instructional Services	362,451	364,304	432,703	405,875
Food Service Operations	1,341,004	1,282,200	1,325,944	1,382,785
Child Care Operations	389,644	518,821	476,648	420,852
Extracurricular Activities	758,512	881,596	1,019,536	932,358
Interest and Fiscal Charges	2,012,299	2,056,706	2,034,073	1,951,763
<i>Total Governmental Activities Expenses</i>	<u>\$38,127,574</u>	<u>\$39,751,343</u>	<u>\$43,773,558</u>	<u>\$45,689,009</u>

(continued)

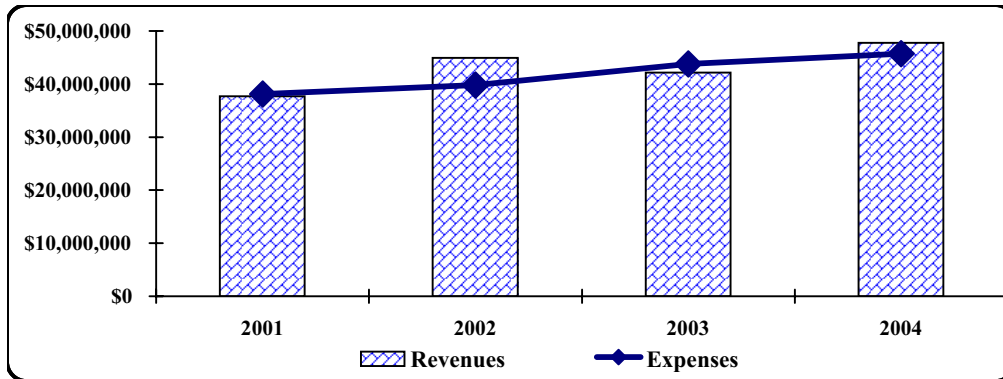
Brecksville-Broadview Heights City School District

Changes in Net Assets

Last Four Fiscal Years

(accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Net (Expense)/Revenue	\$34,526,647	\$35,806,210	\$39,465,965	\$41,194,944
<i>General Revenues</i>				
Property Taxes Levied for:				
General Purposes	24,207,540	28,746,533	25,491,761	29,951,494
Debt Service	2,598,935	3,277,653	2,322,468	2,787,447
Capital Outlay	689,570	724,239	587,995	697,641
Grants and Entitlements not				
Restricted to Specific Programs	5,850,420	7,922,678	9,194,466	9,624,223
Payment in Lieu of Taxes	44,160	24,660	41,722	17,848
Unrestricted Contributions	0	0	0	5,942
Interest	503,744	243,378	188,124	108,023
Gain on Sale of Capital Assets	0	0	0	6,988
Miscellaneous	229,568	14,660	17,846	77,233
<i>Total General Revenues</i>	<u>34,123,937</u>	<u>40,953,801</u>	<u>37,844,382</u>	<u>43,276,839</u>
<i>Change in Net Assets</i>	<u>(\$402,710)</u>	<u>\$5,147,291</u>	<u>(\$1,632,583)</u>	<u>\$2,081,895</u>



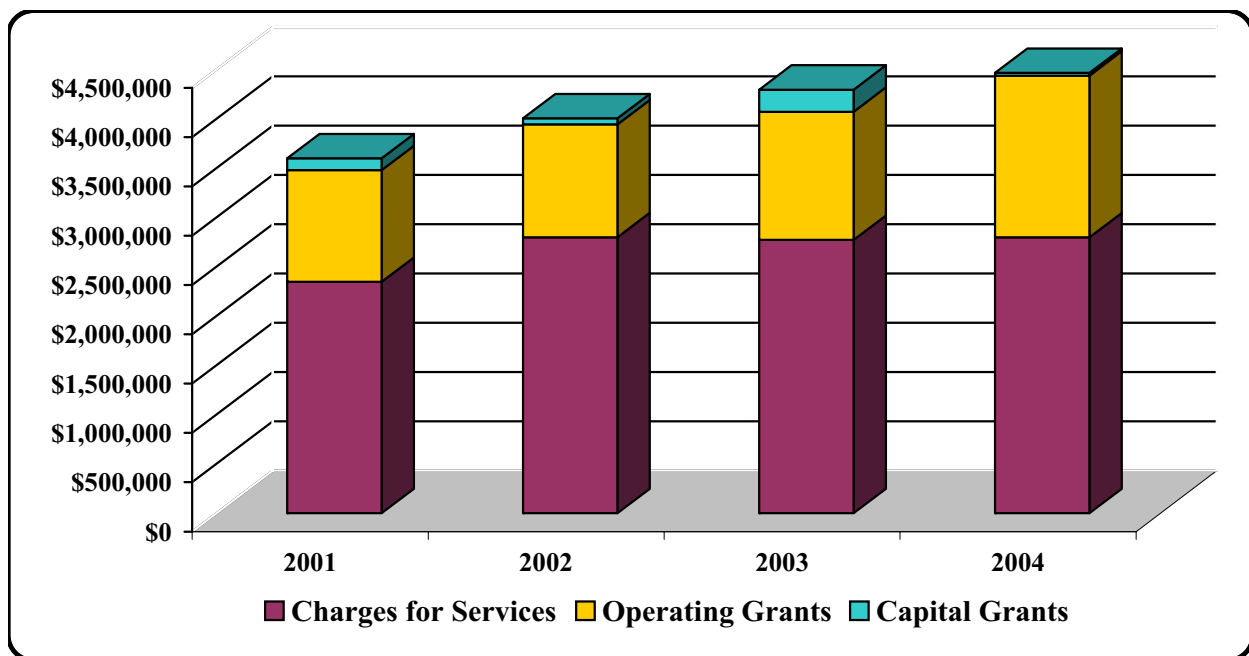
Brecksville-Broadview Heights City School District

Program Revenues by Function/Program

Last Four Fiscal Years

(accrual basis of accounting)

Function/Program	2001	2002	2003	2004
<i>Governmental Activities</i>				
Regular Instruction	\$779,653	\$1,058,878	\$942,148	\$883,284
Special Instruction	314,153	495,024	521,675	562,581
Vocational Instruction	0	0	0	19,714
Adult/Continuing Instruction	25,460	0	14,540	0
Pupil Support	39,513	15,996	87,496	21,575
Instructional Staff Support	78,644	14,592	159,539	292,249
Administration	15,261	0	16,657	16,726
Fiscal	0	29,376	11,087	37,316
Business	25,347	23,716	31,194	0
Operation and Maintenance of Plant	76,452	50,159	68,249	56,020
Pupil Transportation	81,841	73,887	161,672	56,166
Central	6,825	4,114	3,815	4,014
Operation of Non-Instructional Services	367,541	337,688	393,989	427,211
Food Service Operations	1,134,408	1,154,562	1,154,985	1,304,539
Child Care Operations	393,775	459,514	491,038	464,191
Extracurricular Activities	262,054	227,627	238,509	348,479
Total Program Revenues	<u>\$3,600,927</u>	<u>\$3,945,133</u>	<u>\$4,296,593</u>	<u>\$4,494,065</u>



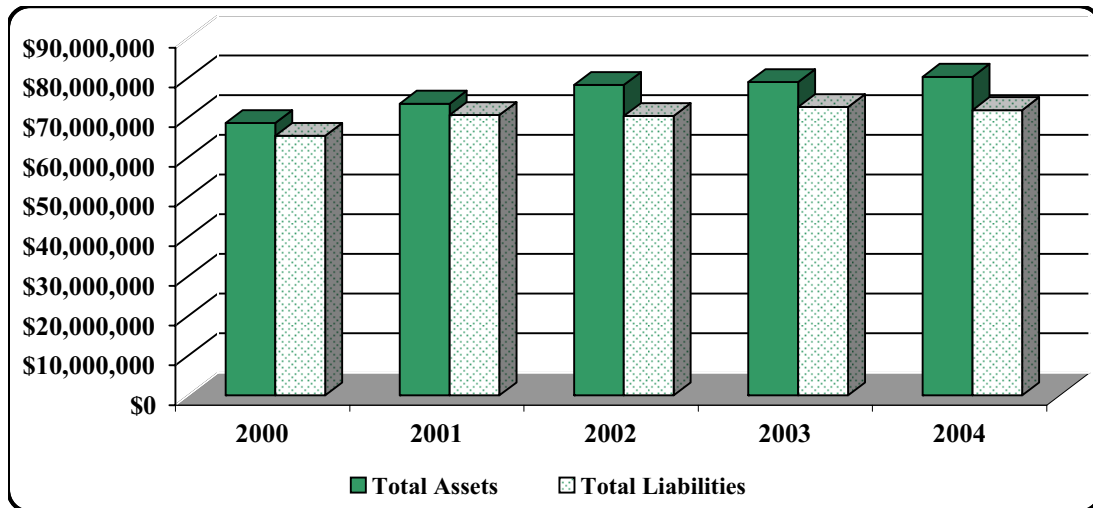
Brecksville-Broadview Heights City School District

Net Assets by Component

Last Five Fiscal Years

(accrual basis of accounting)

	2000	2001	2002	2003	2004
Invested in Capital Assets, Net of Related Debt	\$2,446,368	\$2,124,718	\$2,202,501	\$3,409,804	\$5,063,402
Restricted for:					
Capital Projects	445,893	906,350	1,008,740	758,863	50,217
Debt Service	2,356,150	2,037,823	3,686,279	2,926,552	3,225,770
Other Purposes	459,760	574,859	249,748	474,238	409,443
Unrestricted (Deficit)	<u>(2,461,737)</u>	<u>(2,800,026)</u>	<u>699,463</u>	<u>(1,262,893)</u>	<u>(360,373)</u>
Total Net Assets	<u><u>\$3,246,434</u></u>	<u><u>\$2,843,724</u></u>	<u><u>\$7,846,731</u></u>	<u><u>\$6,306,564</u></u>	<u><u>\$8,388,459</u></u>



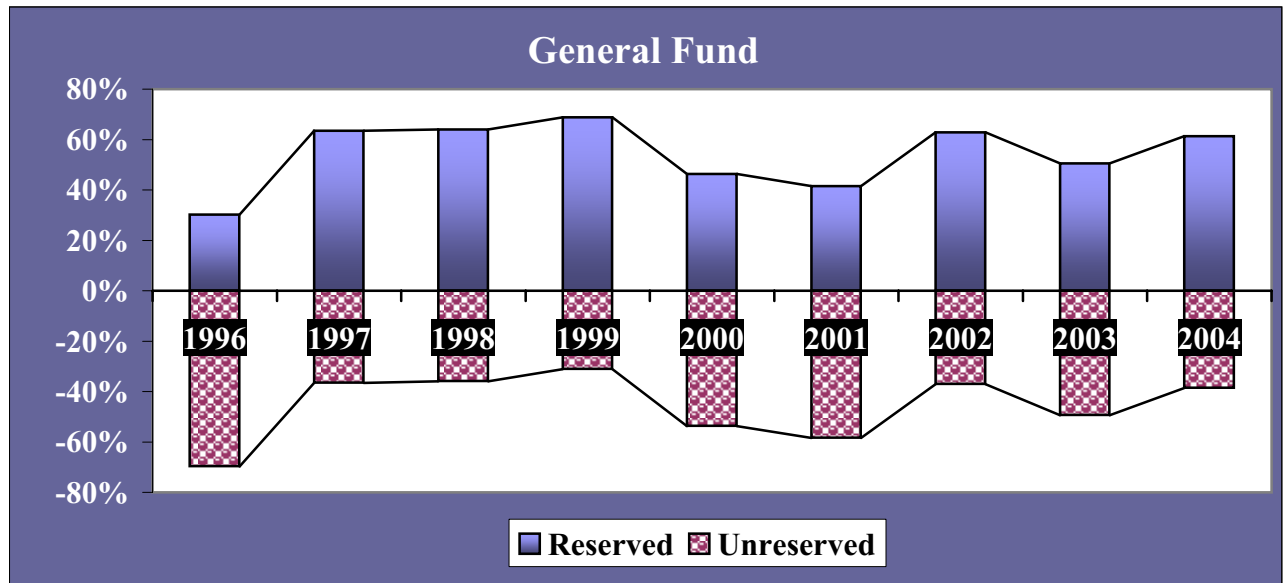
Brecksville-Broadview Heights City School District

Fund Balances, Governmental Funds

Last Nine Fiscal Years

(modified accrual basis of accounting)

	1996	1997	1998	1999
General Fund				
Reserved	\$69,376	\$1,406,097	\$1,764,124	\$2,926,426
Unreserved	<u>(159,874)</u>	<u>(809,752)</u>	<u>(989,778)</u>	<u>(1,323,519)</u>
<i>Total General Fund</i>	<u>(90,498)</u>	<u>596,345</u>	<u>774,346</u>	<u>1,602,907</u>
All Other Governmental Funds				
Reserved	62,296,782	9,548,750	2,875,419	3,223,397
Unreserved, Undesignated, Reported in:				
Special Revenue funds	235,294	240,531	255,009	291,872
Debt Service funds	0	0	0	0
Capital Projects funds (Deficit)	<u>3,087,442</u>	<u>281,301</u>	<u>(476,009)</u>	<u>365,216</u>
<i>Total All Other Governmental Funds</i>	<u>65,619,518</u>	<u>10,070,582</u>	<u>2,654,419</u>	<u>3,880,485</u>
<i>Total Governmental Funds</i>	<u><u>\$65,529,020</u></u>	<u><u>\$10,666,927</u></u>	<u><u>\$3,428,765</u></u>	<u><u>\$5,483,392</u></u>



<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$2,057,900	\$2,074,635	\$5,387,665	\$2,668,090	\$4,860,762
<u>(2,385,267)</u>	<u>(2,914,046)</u>	<u>(3,177,915)</u>	<u>(2,609,340)</u>	<u>(3,059,429)</u>
<u>(327,367)</u>	<u>(839,411)</u>	<u>2,209,750</u>	<u>58,750</u>	<u>1,801,333</u>
2,505,715	541,606	2,587,992	713,180	1,564,044
370,815	417,613	449,757	328,667	494,547
0	2,188,173	2,646,270	2,721,068	3,683,563
<u>529,243</u>	<u>694,160</u>	<u>(995,805)</u>	<u>(445,402)</u>	<u>(3,636)</u>
<u>3,405,773</u>	<u>3,841,552</u>	<u>4,688,214</u>	<u>3,317,513</u>	<u>5,738,518</u>
<u>\$3,078,406</u>	<u>\$3,002,141</u>	<u>\$6,897,964</u>	<u>\$3,376,263</u>	<u>\$7,539,851</u>

Brecksville-Broadview Heights City School District
Changes in Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	1995	1996	1997	1998	1999
Revenues					
Taxes	\$17,498,072	\$20,255,162	\$20,370,327	\$23,332,631	\$26,050,685
Intergovernmental	4,145,041	4,852,064	4,621,579	5,128,466	6,147,132
Interest	1,048,345	2,078,035	3,148,088	363,367	373,505
Tuition and Fees	4,384	1,582	23,532	112,614	95,736
Extracurricular Activities	222,393	206,230	222,993	364,427	248,472
Payment in Lieu of Taxes	0	0	0	0	322,664
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	230,222	258,776	256,363	398,590	0
<i>Total Revenues</i>	<u>23,148,457</u>	<u>27,651,849</u>	<u>28,642,882</u>	<u>29,700,095</u>	<u>33,238,194</u>
Expenditures					
Current:					
Instruction:					
Regular	10,956,442	12,016,035	12,819,025	12,035,835	13,738,396
Special	994,548	1,102,370	1,120,039	1,402,504	1,483,534
Vocational	245,455	264,052	273,109	242,288	264,900
Adult/Continuing	19,821	405,619	284,702	391,636	265,641
Support Services:					
Pupil	1,427,800	1,553,503	1,542,422	1,577,535	1,937,366
Instructional Staff	1,157,045	1,137,793	1,100,471	903,507	745,164
Board of Education	66,909	73,414	55,170	84,760	46,225
Administration	1,693,047	1,651,647	1,700,515	1,950,872	2,048,914
Fiscal	461,417	527,898	550,203	579,205	673,460
Business	332,782	423,553	524,183	487,279	363,189
Operation and Maintenance of Plant	2,176,420	2,249,641	2,480,056	3,014,569	3,390,714
Pupil Transportation	1,613,390	1,870,603	1,671,933	1,747,938	2,298,954
Central	224,610	191,688	184,025	182,855	204,882
Operation of Non-Instructional Services	268,266	393,178	461,023	245,314	284,622
Food Service Operations	0	568,726	0	0	0
Child Care Operations	0	0	0	0	0
Extracurricular Activities	556,856	0	568,267	668,009	637,834
Capital Outlay	958,060	7,090,984	18,123,925	7,985,972	396,742
Debt Service:					
Principal Retirement	3,173,860	36,145,000	36,145,000	720,000	840,000
Interest and Fiscal Charges	0	2,148,319	4,219,932	2,110,221	2,073,649
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>26,326,728</u>	<u>69,814,023</u>	<u>83,824,000</u>	<u>36,330,299</u>	<u>31,694,186</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(3,178,271)</u>	<u>(42,162,174)</u>	<u>(55,181,118)</u>	<u>(6,630,204)</u>	<u>1,544,008</u>
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	0	0	0
Refund of Prior Year Expenditures	26	1,270	0	2,760	0
Refund of Prior Year Receipts	0	(3,419)	(263)	(920)	0
Bonds Issued	0	36,153,864	0	0	0
General Obligation Notes Issued	37,345,001	36,085,320	0	0	650,000
Swap Payment	0	0	0	0	0
Capital Lease Issued	0	0	0	0	0
Other Financing Uses	0	0	0	(2,000)	0
Transfers-In	28,000	32,140	59,586	42,545	35,104
Transfers-Out	(39,175)	(64,662)	(64,823)	(41,568)	(165,236)
Advances-In	(6,318)	0	0	0	0
Advances-Out	(1,715)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>37,325,819</u>	<u>72,204,513</u>	<u>(5,500)</u>	<u>817</u>	<u>519,868</u>
<i>Net Change in Fund Balance</i>	<u>\$34,147,548</u>	<u>\$30,042,339</u>	<u>(\$55,186,618)</u>	<u>(\$6,629,387)</u>	<u>\$2,063,876</u>
<i>Debt Service as a Percentage of</i>					
<i>Noncapital Expenditures</i>	12.51%	61.05%	61.44%	9.99%	9.31%

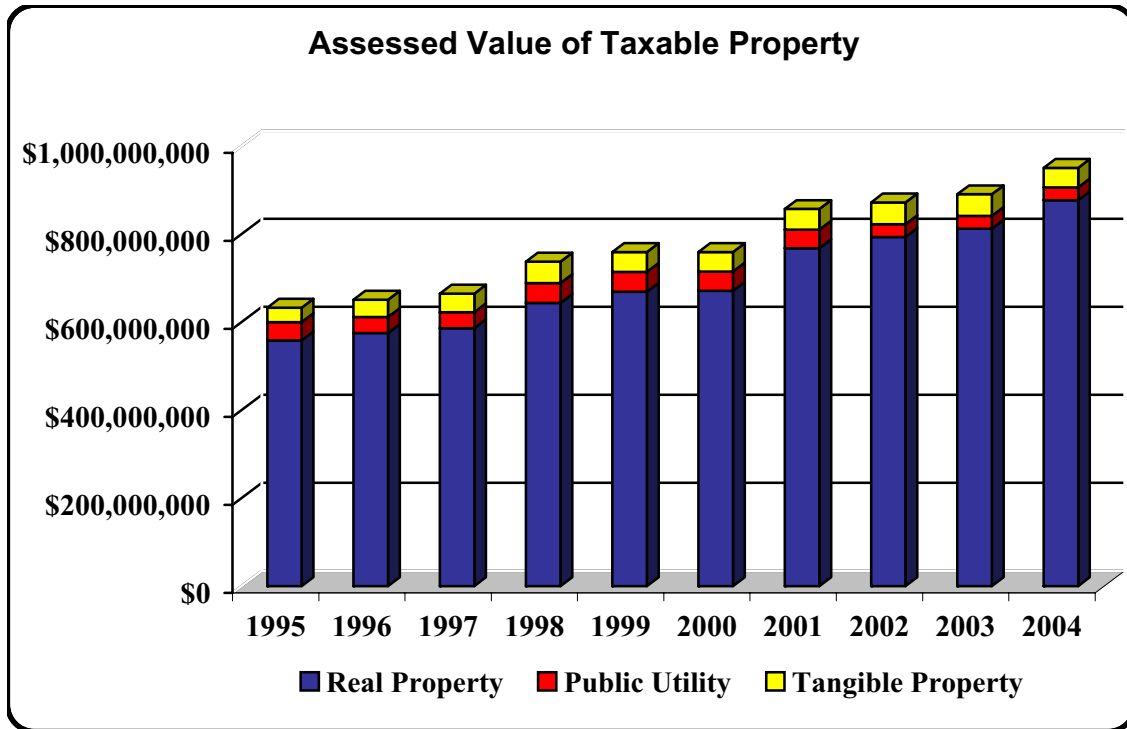
(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

(2) Fiscal years 2004-1996 are reported on the GAAP basis; all other fiscal years are reported on the Cash basis.

2000	2001	2002	2003	2004
\$24,398,113	\$26,671,090	\$32,549,500	\$28,117,547	\$33,692,675
6,430,236	6,946,040	8,982,940	10,538,112	11,152,063
454,441	511,797	246,517	191,262	108,680
366,394	546,771	786,284	856,890	1,100,271
413,092	275,868	245,655	270,674	344,725
0	44,160	24,660	41,722	17,848
0	98,413	38,909	44,618	60,497
0	1,453,646	1,492,371	1,566,467	1,629,856
0	208,002	96,457	176,979	172,644
367,074	265,806	74,995	17,249	77,830
<u>32,429,350</u>	<u>37,021,593</u>	<u>44,538,288</u>	<u>41,821,520</u>	<u>48,357,089</u>
14,847,771	15,761,853	16,144,367	17,519,887	18,722,196
1,830,445	2,599,159	3,285,107	3,730,877	4,333,460
285,678	306,279	337,506	382,504	362,068
153,640	23,088	21,927	0	
2,401,572	2,678,048	2,620,258	2,487,696	2,593,444
901,350	775,772	1,279,271	1,625,195	1,968,990
58,886	45,531	62,622	130,941	48,622
2,257,366	2,267,178	2,350,244	2,848,834	2,935,442
665,498	645,979	727,577	704,571	785,508
324,870	357,771	291,828	428,160	399,123
3,391,522	3,513,466	4,102,258	4,211,621	3,998,754
2,382,284	2,316,913	2,505,392	2,836,079	2,691,746
217,348	219,536	236,431	197,379	197,297
307,636	360,359	346,551	428,679	422,670
0	1,164,510	1,241,406	1,242,088	1,300,917
0	377,731	508,031	487,164	422,609
654,042	742,315	869,195	978,237	937,170
818,408	359,737	917,053	2,089,834	1,659,353
1,240,000	950,000	934,266	1,042,935	1,125,635
2,030,966	2,016,292	2,056,191	2,038,286	1,951,985
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>122,000</u>
<u>34,769,282</u>	<u>37,481,517</u>	<u>40,837,481</u>	<u>45,410,967</u>	<u>46,978,989</u>
<u>(2,339,932)</u>	<u>(459,924)</u>	<u>3,700,807</u>	<u>(3,589,447)</u>	<u>1,378,100</u>
0	0	0	0	6,988
4,848	0	0	0	0
(4,711)	0	0	0	0
0	0	209,500	0	0
0	0	0	0	0
0	0	0	0	948,500
0	0	604,211	0	1,830,000
0	0	0	0	0
246,141	98,383	164,516	421,878	432,083
(310,391)	(98,383)	(164,816)	(421,878)	(432,083)
0	0	0	0	0
0	0	0	0	0
<u>(64,113)</u>	<u>0</u>	<u>813,411</u>	<u>0</u>	<u>2,785,488</u>
<u>(\$2,404,045)</u>	<u>(\$459,924)</u>	<u>\$4,514,218</u>	<u>(\$3,589,447)</u>	<u>\$4,163,588</u>
9.63%	7.99%	7.49%	7.11%	6.79%

Brecksville-Broadview Heights City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Tax Collection Year	Real Estate		Tangible Personal	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995	\$559,188,010	\$1,597,680,029	\$33,100,451	\$132,401,804
1996	575,607,330	1,644,592,371	38,667,927	154,671,708
1997	586,651,020	1,676,145,771	42,356,858	169,427,432
1998	643,717,290	1,839,192,257	48,798,927	195,195,708
1999	669,640,280	1,913,257,943	45,155,832	180,623,328
2000	671,478,900	1,918,511,143	44,687,211	178,748,844
2001	768,422,890	2,195,493,971	46,608,350	186,433,400
2002	793,711,110	2,267,746,029	49,828,303	199,313,212
2003	812,810,500	2,322,315,714	49,439,385	197,757,540
2004	877,378,830	2,506,796,657	44,476,870	177,907,480



Source: Office of Auditor, Cuyahoga County, Ohio

Public Utility		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$40,985,290	\$46,574,193	\$633,273,751	\$1,776,656,026	35.64%
36,708,130	41,713,784	650,983,387	1,840,977,861	35.36
35,988,790	40,896,352	664,996,668	1,886,469,555	35.25
45,276,990	51,451,125	737,793,207	2,085,839,090	35.37
45,155,830	51,313,443	759,951,942	2,145,194,714	35.43
43,701,000	49,660,227	759,867,111	2,146,920,214	35.39
42,472,640	48,264,364	857,503,880	2,430,191,735	35.29
29,120,890	33,091,920	872,660,303	2,500,151,161	35.29
28,750,440	32,670,955	891,000,325	2,552,744,209	34.90
29,439,450	33,453,920	951,295,150	2,718,158,057	35.00

Brecksville-Broadview Heights City School District
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of Assessed Valuation)*
Last Ten Years

Collection Year	Brecksville City	Broadview Heights City	Cuyahoga County (and Others)	Cuyahoga Valley Career Center
1995	\$8.90	\$6.30	\$18.20	\$2.00
1996	8.80	8.40	18.00	2.00
1997	8.80	9.40	18.00	2.00
1998	8.80	9.40	18.00	2.00
1999	8.80	9.40	18.00	2.00
2000	8.70	9.40	16.70	2.00
2001	8.70	9.40	17.60	2.00
2002	8.70	9.40	17.60	2.00
2003	8.80	9.40	17.60	2.00
2004	8.70	9.40	19.40	2.00

Source: Office of the Auditor, Cuyahoga County, Ohio
 Data provided on a collection year basis, the manner in which it is maintained by the County Auditor.

* Assessed valuation for real property is based upon 35 percent of estimated true value set by county appraisal, and is 25 percent of listed true value for tangible personal property.

Note: The School District's basic property tax rate may be increased only by a majority vote of the School District's residents. Rates for debt service are set based on each year's requirements.

Overlapping rates are those of local and county governments that apply to property owners within the Cities of Brecksville and Broadview Heights.

<u>Brecksville- Broadview Heights City School District</u>	<u>Total Brecksville</u>	<u>Total Broadview Heights</u>
\$59.90	\$89.00	\$86.40
60.50	89.30	88.90
58.80	87.60	88.20
65.50	94.30	94.90
65.50	94.30	94.90
65.30	92.70	93.40
64.80	93.10	93.80
71.50	99.80	100.50
71.50	99.90	100.50
71.40	101.50	102.20

Brecksville-Broadview Heights City School District

Property Tax Levies and Collections (1)

Last Ten Years

<u>Collection Year (2)</u>	<u>Total Tax Levy (3)</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Total Tax Levy</u>
1994	\$17,513,382	\$16,562,241	94.57%
1995	21,266,056	20,900,226	98.28
1996	22,097,212	21,858,123	98.92
1997	22,019,657	21,488,385	97.59
1998	28,894,546	27,080,369	93.72
1999	29,636,011	27,739,930	93.60
2000	29,934,084	27,627,926	92.30
2001	31,128,323	28,350,074	91.07
2002	36,208,640	33,715,941	93.12
2003	37,152,010	34,060,881	91.68

Source: Office of the Auditor, Cuyahoga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2004 information cannot be presented because all collections have not been made by June 30, 2004.
- (3) Tax information cannot be broken out for real property, public utility and personal tangible.

Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
\$226,291	\$16,788,532	95.86%
207,724	21,107,950	99.26
231,282	22,089,405	99.96
248,873	21,737,258	98.72
304,104	27,384,473	94.77
632,850	28,372,780	95.74
641,380	28,269,306	94.44
741,175	29,091,049	94.36
797,134	34,513,075	95.30
900,216	34,961,097	94.10

Brecksville-Broadview Heights City School District

Principal Taxpayers

Real Estate Tax

December 31, 2003

<u>Name of Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Real Assessed Value</u>
Ohio Bell	\$12,044,980	1.37%
PMD Group Co. Inc.	7,692,300	0.88
CEI	5,888,160	0.67
South Hills Limited	5,684,980	0.65
F. C. Vineyards, L.P.	4,251,420	0.48
Grand Bay of Brecksville	4,070,440	0.46
Treeline Inc.	3,399,970	0.39
Gateway Associates	3,185,930	0.36
Grand Bay of Brecksville	2,953,480	0.34
Stoney Run Limited	<u>2,813,340</u>	<u>0.32</u>
Totals	<u>\$51,985,000</u>	<u>5.93%</u>
Total Real Estate Valuation	<u>\$877,378,830</u>	

Source: Office of the Auditor, Cuyahoga County, Ohio

Brecksville-Broadview Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 2003

<u>Name of Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Tangible Assessed Value</u>
Ohio Machinery Company	\$5,695,130	12.80%
Noveon Inc.	4,855,800	10.92
Curtiss Wright Flow Control, Incorporated	2,545,960	5.72
Durez Corporation	2,122,490	4.77
Barnes Group, Incorporated	1,521,330	3.42
Marathon Ashland Petroleum	1,294,740	2.91
Tops Markets LLC	899,070	2.02
IDM Credit LLC	876,180	1.97
FCI USA, Incorporated	846,410	1.90
Quality Bolt & Screw Company	834,240	1.88
Total	<u>\$21,491,350</u>	<u>48.32%</u>
Total Tangible Assessed Valuation	<u>\$44,476,870</u>	

Source: Office of the Auditor, Cuyahoga County, Ohio

Brecksville-Broadview Heights City School District

Principal Taxpayers

Public Utilities Tax

December 31, 2003

<u>Name of Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$16,887,260	57.36%
Ameritech	4,267,030	14.49
Ameritech Advanced	1,464,020	4.97
The East Ohio Gas Company	1,326,090	4.50
American Transmission System	994,390	3.38
New Par	294,390	1.00
AT & T Wireless	277,970	0.94
Sprint Communications, Inc.	264,110	0.90
Quest Communications	263,800	0.90
North Coast Gas Transmission	260,580	0.89
Total	<u>\$26,299,640</u>	<u>89.33%</u>
Total Public Utility Valuation	<u>\$29,439,450</u>	

Source: Office of the Auditor, Cuyahoga County, Ohio

Brecksville-Broadview Heights City School District

Principal Employers

December 31, 2003

<u>Employer</u>	<u>City</u>	<u>Nature of Business or Activity</u>	<u>Approximate Number of Employees</u>
Department of Veteran Affairs	Brecksville	Medical Center	1,250
National City Corporation	Brecksville	Banking Services	892
Ameritech Services	Brecksville	Communication Services	800
Brecksville-Broadview Heights Board of Education	Brecksville/ Broadview Heights	Public Education	589
Noveon, Inc.	Brecksville	Headquarters for a chemical firm	486
City of Broadview Heights	Broadview Heights	Municipal Government	328
Ohio Machinery Company	Broadview Heights	Construction Equipment Sales	250
Andrews Moving & Storage Co.	Brecksville	Moving and Storage	183
Classic Video	Broadview Heights	Video Productions	177
Framatome Connectors-Interlock	Brecksville	Electrical Terminals	173

Source: Cities of Brecksville and Broadview Heights, Ohio

Brecksville-Broadview Heights City School District

*Ratio of General Obligation Bonded Debt
to Estimated Actual Value and Debt per Capita
Last Ten Fiscal Years*

Fiscal Year	Estimated Population	Estimated Actual Value	General Obligation Bonded Debt		
			Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
1995	25,895	\$1,597,680,029	\$1,220,000	2.32%	\$47
1996	26,283	1,644,592,371	37,075,000	2.26	1,411
1997	26,677	1,676,145,771	37,075,000	2.21	1,390
1998	27,078	1,839,192,257	36,355,000	1.98	1,343
1999	28,432	1,913,257,943	35,370,000	1.85	1,244
2000	28,858	1,918,511,143	34,455,000	1.80	1,194
2001	29,349	2,195,793,971	33,505,000	1.53	1,142
2002	29,762	2,267,746,029	32,804,500	1.45	1,102
2003	30,179	2,322,315,714	31,836,817	1.37	1,055
2004	30,486	2,506,796,657	30,828,317	1.23	1,011

Source: Office of the Treasurer, Brecksville-Broadview Heights City School District
and the U.S. Census Bureau (Census 2000)

General Debt		
General Debt	Ratio of General Debt to Estimated Actual Value	General Debt per Capita
\$37,220,000	2.33%	\$1,437
73,075,000	4.44	2,780
37,075,000	2.21	1,390
36,355,000	1.98	1,343
36,020,000	1.88	1,267
34,780,000	1.81	1,205
36,005,000	1.64	1,227
37,154,445	1.64	1,248
35,039,510	1.51	1,161
34,683,875	1.38	1,138

Brecksville-Broadview Heights City School District

Computation of Legal Debt Margin

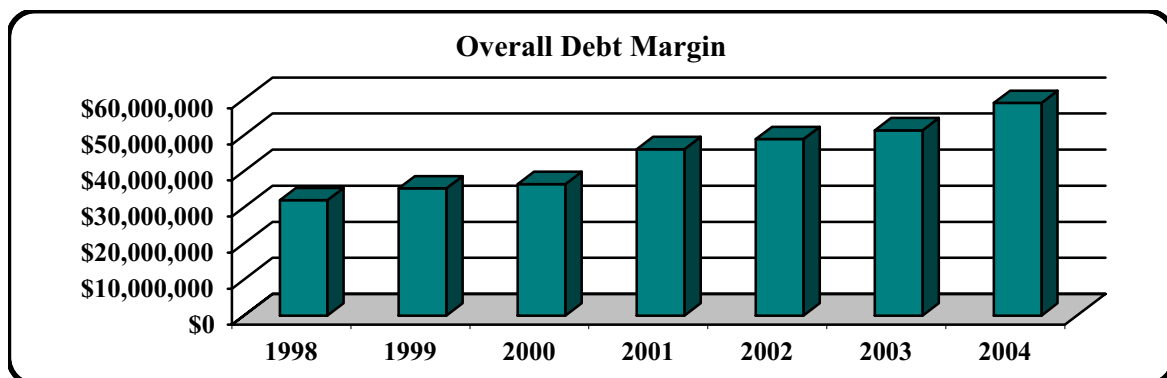
Last Seven Fiscal Years

	<u>1998</u>	<u>1999</u>
Assessed Valuation	<u>\$737,793,207</u>	<u>\$759,951,942</u>
Debt Limit - 9% of Assessed Value (1)	66,401,389	\$68,395,675
Amount of Debt Outstanding		
General Obligation Bonds	36,355,000	36,020,000
Tax Anticipation Note	0	0
Energy Conservation Note	0	0
Less Amount Available in Debt Service	<u>(1,914,163)</u>	<u>(650,000)</u>
Total	34,440,837	35,370,000
Exemptions:		
Tax Anticipation Note	0	(2,220,376)
Energy Conservation Note	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>34,440,837</u>	<u>33,149,624</u>
Overall Debt Margin	<u>\$31,960,552</u>	<u>\$35,246,051</u>
Legal Debt Margin as a Percentage of Debt Limit	48.13%	51.53%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	737,793	759,952
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$737,793</u>	<u>\$759,952</u>

Source: Cuyahoga 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.

2000	2001	2002	2003	2004
<u>\$759,867,111</u>	<u>\$857,503,880</u>	<u>\$872,660,303</u>	<u>\$891,000,325</u>	<u>\$951,295,150</u>
68,388,040	77,175,349	78,539,427	80,190,029	85,616,564
34,455,000	33,505,000	32,804,500	31,836,817	30,828,317
0	2,500,000	2,500,000	1,700,000	865,000
0	0	1,270,000	998,000	773,000
<u>(2,192,896)</u>	<u>(2,410,550)</u>	<u>(3,170,120)</u>	<u>(2,959,465)</u>	<u>(4,113,548)</u>
32,262,104	33,594,450	33,404,380	31,575,352	28,352,769
(325,000)	(2,500,000)	(2,500,000)	(1,700,000)	(865,000)
0	0	(1,270,000)	(998,000)	(773,000)
<u>31,937,104</u>	<u>31,094,450</u>	<u>29,634,380</u>	<u>28,877,352</u>	<u>26,714,769</u>
<u>\$36,450,936</u>	<u>\$46,080,899</u>	<u>\$48,905,047</u>	<u>\$51,312,677</u>	<u>\$58,901,795</u>
53.30%	59.71%	62.27%	63.99%	68.80%
759,867	857,504	872,660	891,000	951,295
0	0	0	0	0
<u>\$759,867</u>	<u>\$857,504</u>	<u>\$872,660</u>	<u>\$891,000</u>	<u>\$951,295</u>



Brecksville-Broadview Heights City School District
*Ratio of Annual Debt Service Expenditures for General
Obligation Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years*

Fiscal Years	Total Principal and Interest (1)	Total General Governmental Expenditures (2)	Ratio of General Obligation Bond Debt Service to Total General Governmental Expenditures
1995	\$3,173,860	\$26,326,728	12.06%
1996	38,293,319	69,814,023	54.85
1997	40,364,932	83,824,000	48.15
1998	2,830,221	36,330,299	7.79
1999	2,913,649	31,694,186	9.19
2000	3,270,966	34,769,282	9.41
2001	2,966,292	37,481,517	7.91
2002	2,848,299	40,837,481	6.97
2003	2,867,509	45,410,967	6.31
2004	2,859,377	46,978,989	6.09

- 1) Bond Anticipation Notes (BANs) were issued against the 1994 bond issue. The notes were issued in 1995 and repaid with note proceeds during fiscal year 1996. The 1996 notes were repaid with bond proceeds during fiscal year 1997.
- 2) General governmental expenditures include all governmental fund types expenditures. Fiscal year 1995 reported on a cash basis, whereas, 1996 through 2004 reported on a modified accrual basis.

Brecksville-Broadview Heights City School District

Computation of Direct and Overlapping

General Obligation Bonded Debt

June 30, 2004

	<u>Outstanding Debt</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
Brecksville-Broadview Heights City School District	<u>\$30,828,317</u>	<u>100.00%</u>	<u>\$30,828,317</u>
Overlapping:			
Regional Transit Authority	130,795,000	3.14	4,106,963
Cuyahoga County	183,239,636	3.14	5,753,725
Brecksville City	4,131,915	59.32	2,451,052
Broadview Heights City	11,222,416	39.49	4,431,732
North Royalton City	<u>4,507,000</u>	1.19	<u>53,633</u>
Total Overlapping	<u>333,895,967</u>		<u>16,797,105</u>
Total	<u><u>\$364,724,284</u></u>		<u><u>\$47,625,422</u></u>

Source: Office of the Auditor, Cuyahoga County, Ohio

Brecksville-Broadview Heights City School District

Construction, Bank Deposits and Property Values

Last Ten Years

<u>Tax Year</u>	<u>No. of Building Permits (1)</u>	<u>Value of Building Permits (1)</u>	<u>Cuyahoga County Bank (2) Deposits (in 000's)</u>	<u>Residential and Other Real Estate (3)</u>
1994	1,125	\$48,208,583	\$20,885,453	\$479,221,750
1995	1,101	41,513,748	22,458,573	559,188,010
1996 (4)	1,305	85,985,469	27,068,211	575,607,330
1997	1,381	63,748,311	53,941,971	586,651,020
1998	1,362	54,480,000	58,904,596	643,717,290
1999	1,764	76,778,410	57,816,942	669,640,280
2000	1,131	68,336,998	61,942,764	671,478,900
2001	1,146	65,122,014	63,893,769	768,422,890
2002	1,168	76,606,087	95,761,917	793,711,110
2003	1,381	97,514,445	99,508,177	812,810,500

Sources:

- (1) Building Departments, City of Brecksville and City of Broadview Heights
- (2) Federal Reserve Bank of Cleveland (total demand, time and savings deposits for Cuyahoga County, Ohio Banks)
- (3) Office of the Auditor, Cuyahoga County
- (4) Includes value of new Brecksville-Broadview Heights City School District High School

Public Utility Tangible (3)	Personal Tangible (3)	Total Assessed Valuation
\$39,545,210	\$31,115,843	\$549,882,803
40,985,290	33,100,451	633,273,751
36,708,130	38,667,927	650,983,387
35,988,790	42,356,858	664,996,668
45,276,990	48,798,927	737,793,207
45,155,830	45,155,832	759,951,942
43,701,000	44,687,211	759,867,111
42,472,640	46,608,350	857,503,880
29,120,890	49,828,303	872,660,303
28,750,440	49,439,385	891,000,325

Brecksville-Broadview Heights City School District

Building Statistics by Function/Program

Current Fiscal Year

Chippewa Elementary School

Constructed in 1962

Total Building Square Footage	40,600
Media Center Square Footage	2,535
Cafeteria and Gymnasium Square Footage	2,535
Enrollment Grades K - 3	430
Student Capacity	325
Regular Instruction Classrooms	17
Regular Instruction Teachers	22
Special Instruction Classrooms	3
Special Instruction Teachers	3

Highland Drive Elementary School

Constructed in 1953

Total Building Square Footage	44,000
Media Center Square Footage	840
Cafeteria and Gymnasium Square Footage	3,200
Enrollment Grades K - 3	370
Student Capacity	350
Regular Instruction Classrooms	16
Regular Instruction Teachers	22
Special Instruction Classrooms	6
Special Instruction Teachers	6

Hilton Elementary School

Constructed in 1967

Total Building Square Footage	43,000
Media Center Square Footage	1,200
Cafeteria and Gymnasium Square Footage	2,700
Kitchen Square Footage	1,100
Enrollment Grades K - 3	501
Student Capacity	348
Regular Instruction Classrooms	18
Regular Instruction Teachers	24
Special Instruction Classrooms	1
Special Instruction Teachers	2

Central School

Constructed in 1915

Additions in 1929, 1950, 1964, 1981

Total Building Square Footage	73,400
Media Center Square Footage	2,800
Cafeteria Square Footage	2,230
Gymnasiums (2) Square Footage	6,600
Enrollment Grades 4 and 5	736
Student Capacity	590
Regular Instruction Classrooms	27
Regular Instruction Teachers	41
Special Instruction Classrooms	3
Special Instruction Teachers	7

Middle School

Constructed in 1960

Additions in 1965, 1971, 1986

Total Building Square Footage	176,750
Auditorium Square Footage	15,200
Media Center Square Footage	5,000
Cafeteria Square Footage	7,800
Gymnasium Square Footage	10,000
Enrollment Grades 6 - 8	1,138
Enrollment Preschool	39
Student Capacity	1,219
Regular Instruction Classrooms	48
Regular Instruction Teachers	60
Special Instruction Classrooms	4
Special Instruction Teachers	10

High School

Constructed in 1997

Total Building Square Footage	299,800
Auditorium Square Footage	16,000
Media Center Square Footage	51,000
Kitchen and Cafeteria Square Footage	14,500
Gymnasiums (2) Square Footage	21,700
Enrollment - Grades 9 - 12	1,491
Student Capacity	1,817
Regular Instruction Classrooms	66
Regular Instruction Teachers	80
Special Instruction Classrooms	7
Special Instruction Teachers	8
Vocational Instruction Classrooms	4
Vocational Instruction Teachers	3

Brecksville-Broadview Heights City School District

Per Pupil Cost

Last Ten Fiscal Years

Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
1995	3,660		\$23,152,868	\$6,326
1996	3,747	2.38 %	31,520,704	8,412
1997	3,920	4.62	43,459,068	11,086
1998	3,938	0.46	33,500,078	8,507
1999	4,049	2.82	28,780,537	7,108
2000	4,108	1.46	31,498,316	7,668
2001	4,247	3.38	34,515,225	8,127
2002	4,440	4.54	37,847,024	8,524
2003	4,565	2.82	42,329,746	9,273
2004	4,666	2.21	43,779,369	9,383

Source: School District Records

(1) Debt Service totals have been excluded.

(2) The School District implemented GASB-34 in fiscal year 2001.

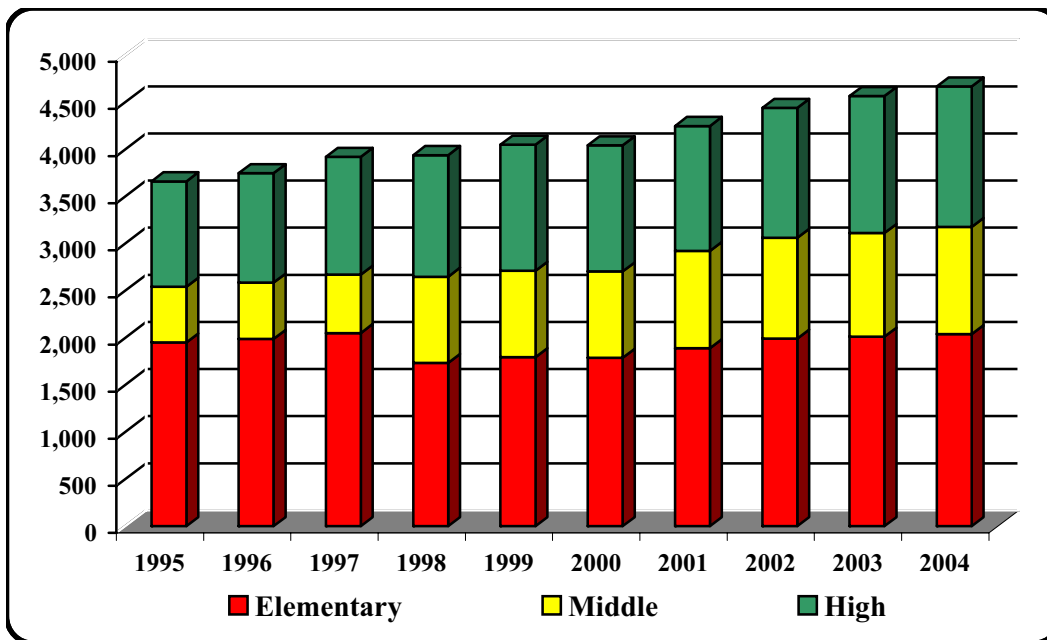
Governmental Activities	
Total Expenses (2)	Per Pupil Cost
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
36,115,275	8,504
37,694,637	8,490
41,739,485	9,143
43,737,246	9,374

Brecksville-Broadview Heights City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
1995	1,951	589	1,120	3,660
1996	1,988	597	1,162	3,747
1997	2,050	621	1,249	3,920
1998	(2) 1,732	916	1,290	3,938
1999	1,794	917	1,338	4,049
2000	1,787	977	1,344	4,108
2001	1,889	1,032	1,326	4,247
2002	1,991	1,069	1,380	4,440
2003	2,011	1,099	1,455	4,565
2004	2,037	1,138	1,491	4,666



Source: Brecksville-Broadview Heights City School Records

- (1) The following are changes made in the 1992-93 school year
 Elementary grade change from K-5 to K-6
 Middle School grade change from 6,7,8 to 7,8

- (2) The following are changes made in the 1997-98 school year
 Elementary grade change from K-6 to K-5
 Middle School grade change from 7,8 to 6,7,8

Brecksville-Broadview Heights City School District

Attendance and Graduation Rates

Last Seven School Years

<u>School Year</u>	<u>Brecksville- Broadview Heights Attendance Rate</u>	<u>State Average</u>	<u>Brecksville- Broadview Heights Graduation Rate</u>	<u>State Average</u>
1997 - 1998	96.30%	93.90%	96.30%	79.90%
1998 - 1999	96.10	93.50	96.10	81.40
1999 - 2000	95.70	93.60	95.10	80.70
2000 - 2001	96.00	93.90	95.00	81.20
2001 - 2002	95.90	94.30	98.30	82.80
2002 - 2003	95.70	94.50	98.30	83.90
2003 - 2004	95.90	94.50	95.40	84.30

Source: Ohio Department of Education Local Report Cards

Brecksville-Broadview Heights City School District

Teacher Education and Experience

June 30, 2004

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	15	4.93%
Bachelor + 9	19	6.25
Bachelor + 18	26	8.55
Bachelor + 30	41	13.49
Master	63	20.74
Master + 9	36	11.84
Master + 18	38	12.50
Master + 30	19	6.25
Master + 42	44	14.47
PhD	<u>3</u>	<u>0.98</u>
Total	<u><u>304</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	66	21.71%
6 - 10	93	30.59
11 and Over	<u>145</u>	<u>47.70</u>
	<u><u>304</u></u>	<u><u>100.00%</u></u>

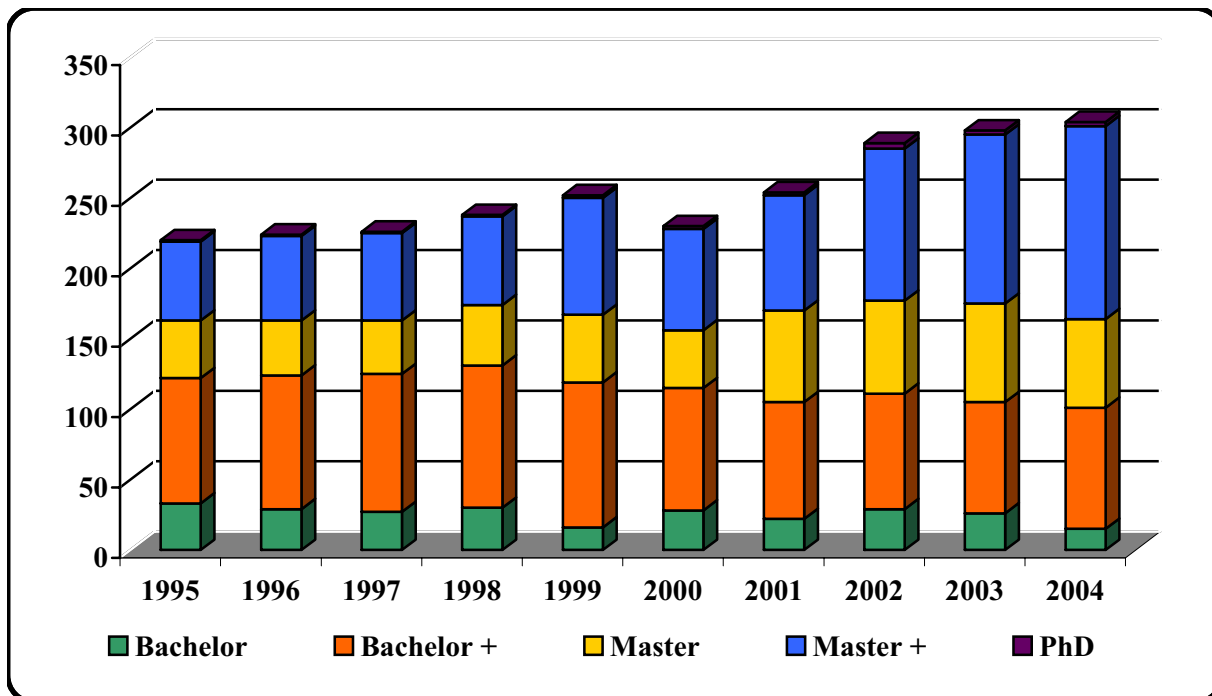
Source: School District Personnel Records

Brecksville-Broadview Heights City School District*School District Employees by Function/Program**Last Four Fiscal Years*

Function/Program	2001	2002	2003	2004
Regular Instruction				
Elementary Classroom Teachers	72	85	85	89
Middle School Classroom Teachers	53	57	59	60
High School Classroom Teachers	76	76	81	83
Special Instruction				
Preschool Teachers	2	3	3	3
Elementary Classroom Teachers	8	9	15	17
Gifted Education Teachers	2	3	3	3
Middle School Classroom Teachers	6	7	8	10
High School Classroom Teachers	5	7	7	8
Vocational Instruction				
High School Classroom Teachers	3	3	3	3
Pupil Support Services				
Guidance Counselors	8	11	12	12
Librarians	1	1	1	1
Psychologists	6	6	7	5
Speech & Language Pathologists	9	10	8	8
Nurse	1	1	1	1
Administrators				
Elementary	4.5	4.5	4.5	5
Middle School	2.5	2	2.5	2.5
High School	3.5	3.5	3.5	3.5
Districtwide	11	12	12	12
Operation of Plant				
Custodians	29	33	36	33
Maintenance	4	6	6	6
Pupil Transportation				
Bus Drivers	42	42	43	44
Bus Aides	3	6	10	8
Mechanics	3	3	3	3
Food Service Program				
Elementary Cooks	18	18	18	18
Middle School Cooks	10	11	11	11
High School Cooks	18	18	18	17

Brecksville-Broadview Heights City School District
Full-Time Equivalent School District Employees by Education
Last Ten School Years

Degree	1995	1996	1997	1998	1999
Bachelor	33	29	27	30	16
Bachelor +	89	95	98	101	103
Master	41	39	38	43	48
Master +	56	60	62	63	83
PhD	1	1	1	1	2
Total	220	224	226	238	252



Source: School District Records

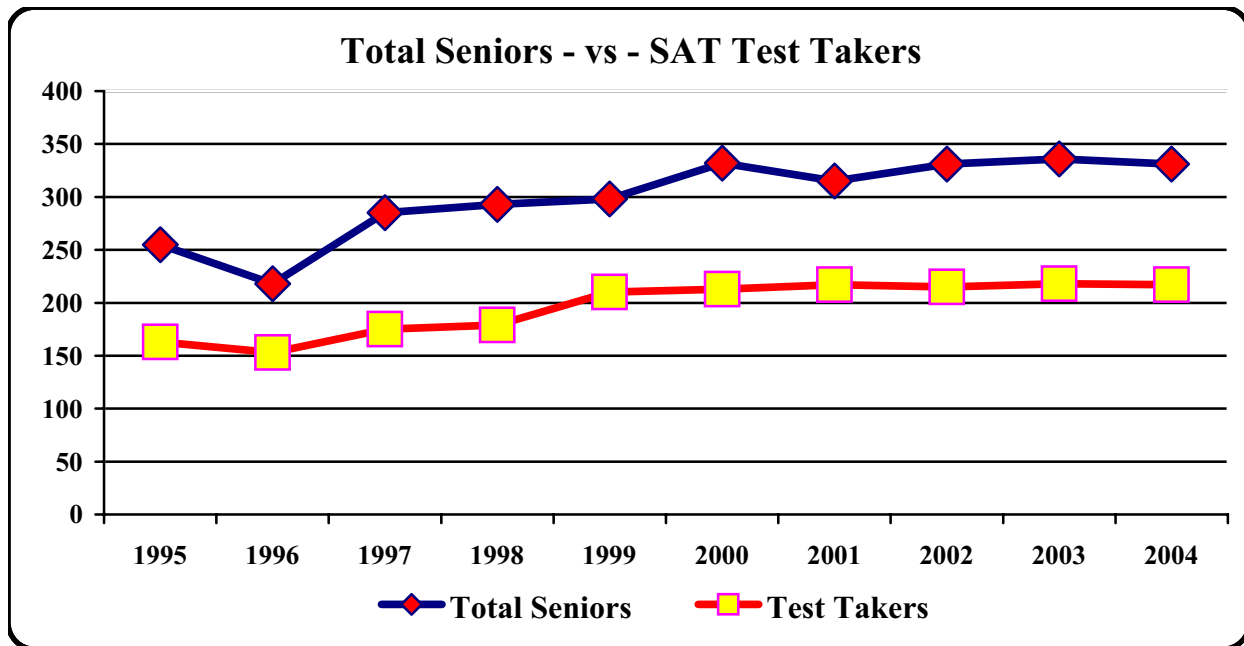
<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
28	22	29	26	15
87	83	82	79	86
41	65	66	70	63
72	82	108	120	137
<u>2</u>	<u>2</u>	<u>4</u>	<u>3</u>	<u>3</u>
<u>230</u>	<u>254</u>	<u>289</u>	<u>298</u>	<u>304</u>

Brecksville-Broadview Heights City School District

SAT Composite Scores

Last Ten School Years

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Brecksville-Broadview Heights Verbal	Ohio Verbal	National Verbal
1995	163	255	63.92%	459	460	428
1996	153	218	70.18	534	536	505
1997	175	285	61.40	523	535	505
1998	179	293	61.09	532	536	505
1999	210	298	70.47	540	534	505
2000	213	332	64.16	524	533	505
2001	217	315	68.89	533	534	506
2002	215	330	65.15	534	533	504
2003	218	336	64.88	544	536	507
2004	217	331	65.56	550	538	508



Source: High School Guidance Office,
Brecksville-Broadview Heights City School District

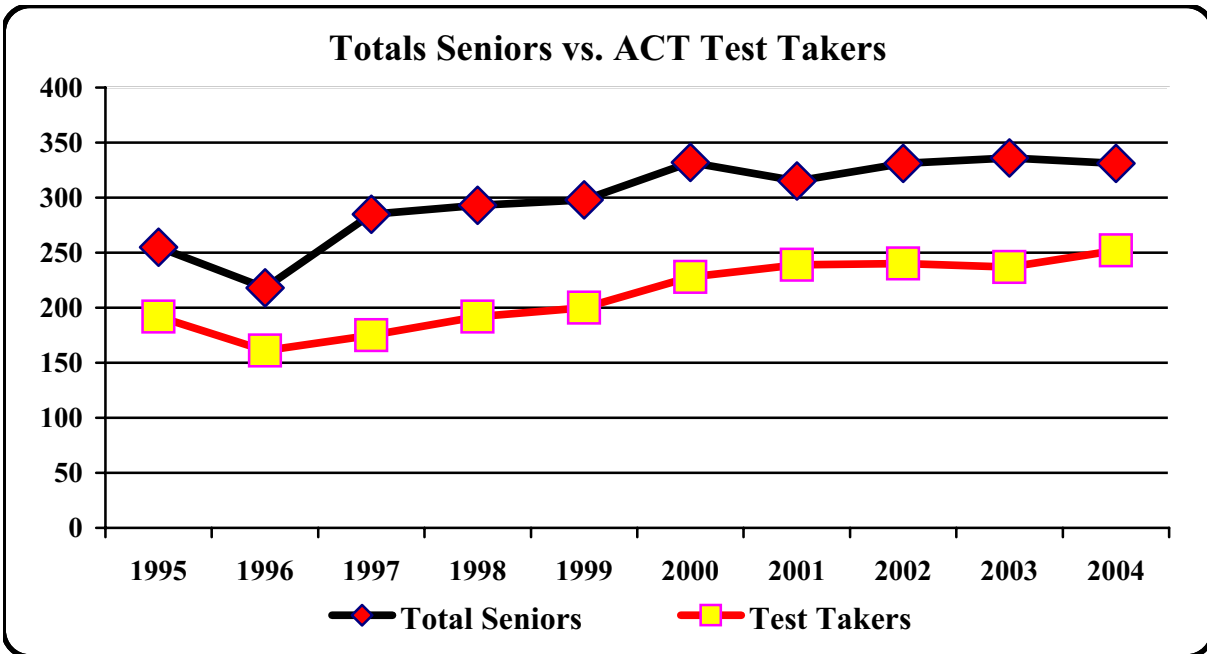
Brecksville- Broadview Heights Math	Ohio Math	National Math
536	515	482
539	535	508
548	536	511
554	540	512
558	538	511
548	539	514
552	539	514
544	540	516
560	541	519
565	542	518

Brecksville-Broadview Heights City School District

ACT Composite Scores

Last Ten School Years

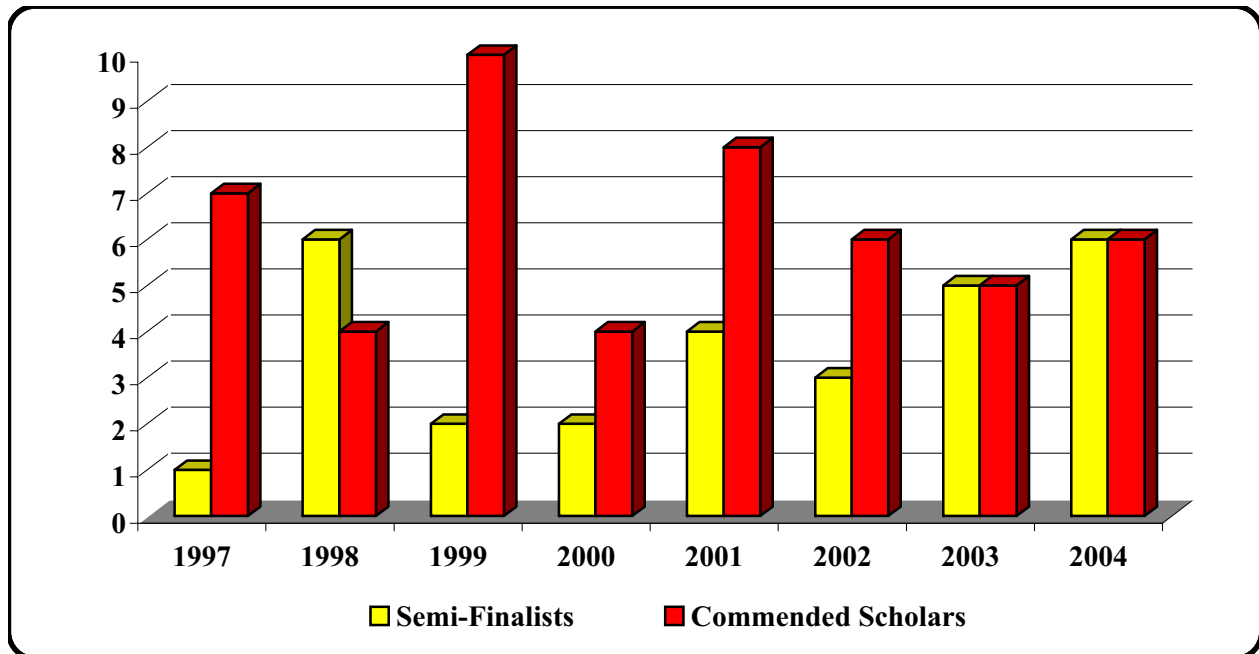
School Year	Number of Test Takers	Number of Seniors	Percent of Students	Brecksville-Broadview Heights Composite	Ohio Composite	National Composite
1995	192	255	75.29%	23.1	21.2	20.8
1996	161	218	73.85	23.1	21.3	20.9
1997	175	285	61.40	23.2	21.3	21.0
1998	192	293	65.53	23.3	21.4	21.0
1999	200	298	67.11	23.2	21.4	21.0
2000	228	332	68.67	22.8	21.4	21.0
2001	239	315	75.87	22.7	21.4	21.0
2002	240	330	72.73	22.9	21.4	20.8
2003	237	336	70.54	23.4	21.4	20.8
2004	252	331	76.13	23.6	21.4	20.9



Source: High School Guidance Office,
Brecksville-Broadview Heights City School District

Brecksville-Broadview Heights City School District
National Merit Scholarship Program
Last Eight School Years

<u>School Year</u>	<u>Semi-Finalists</u>	<u>Commended Scholars</u>	<u>Total</u>
1997	1	7	8
1998	6	4	10
1999	2	10	12
2000	2	4	6
2001	4	8	12
2002	3	6	9
2003	5	5	10
2004	6	6	12



Source: High School Guidance Office
 Brecksville-Broadview Heights City School District

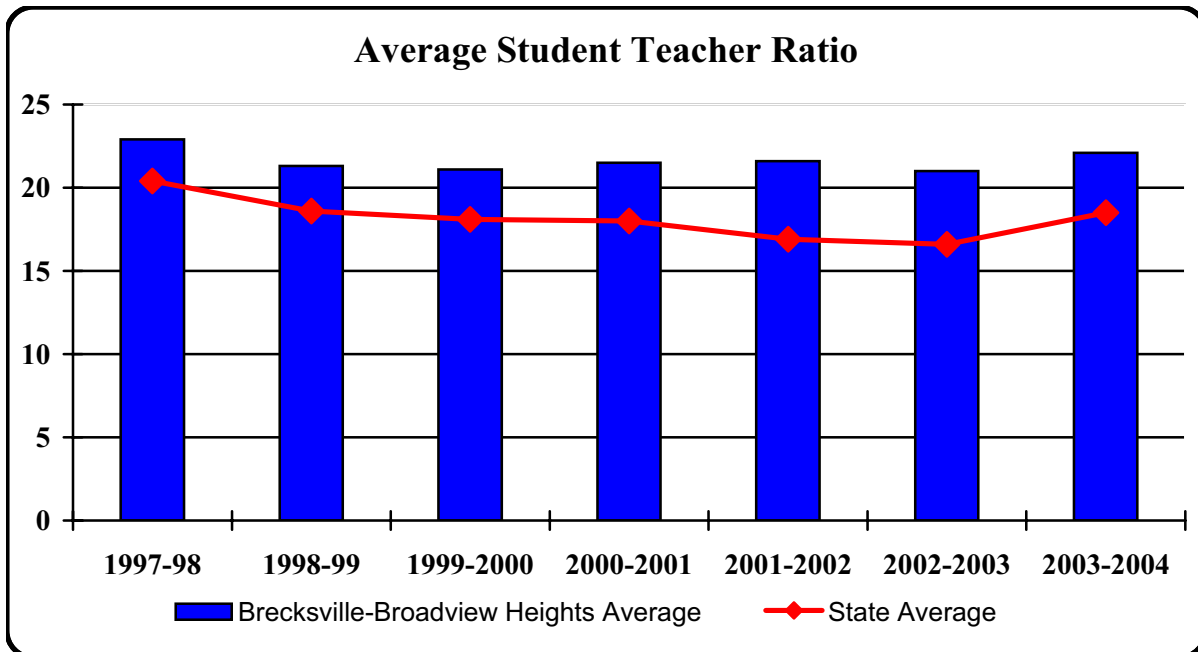
Brecksville-Broadview Heights City School District

Average Number of Students per Teacher

Last Seven School Years

<u>School Year</u>	<u>Brecksville-Broadview Heights Average</u>	<u>State Average</u>
1997 - 1998	22.9	20.4
1998 - 1999	21.3	18.6
1999 - 2000	21.1	18.1
2000 - 2001	21.5	18.0
2001 - 2002	21.6	16.9
2002 - 2003	21.0	16.6
2003 - 2004	22.1	18.5

Source: Ohio Department of Education, EMIS Reports

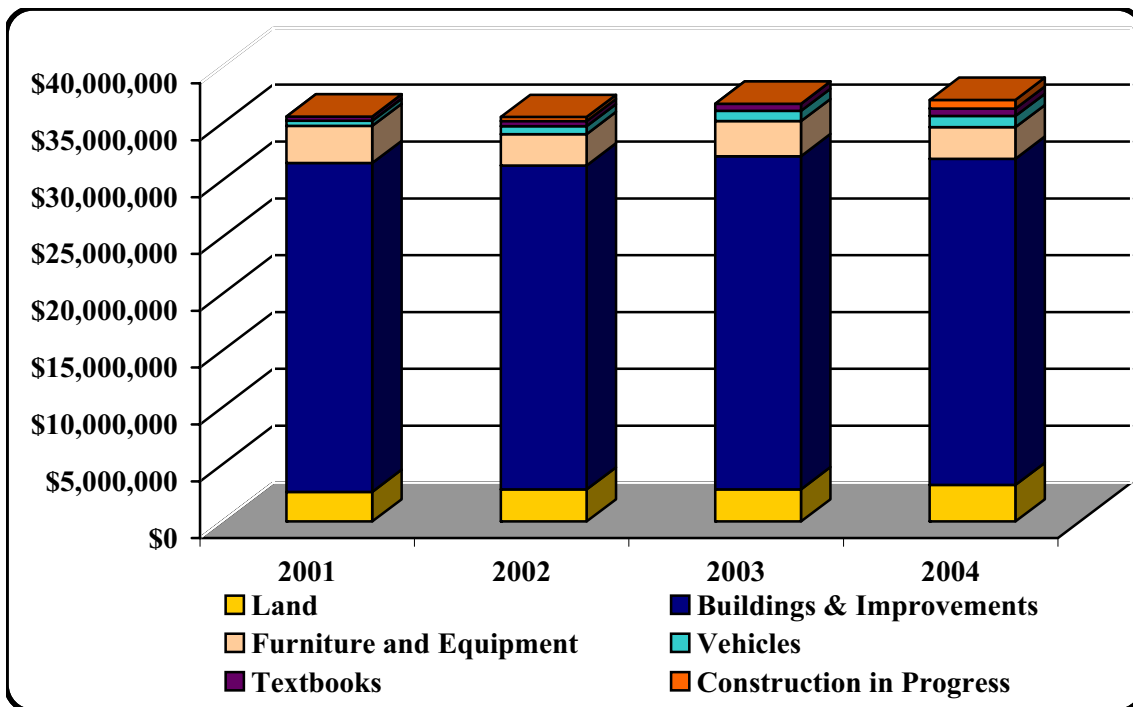


Brecksville-Broadview Heights City School District

Capital Assets

Last Four Fiscal Years

	2001	2002	2003	2004
Capital Assets:				
Land	\$2,606,564	\$2,815,407	\$2,830,407	\$3,209,781
Buildings and Improvements	28,918,529	28,506,393	29,304,573	28,703,925
Furniture and Equipment	3,275,249	2,754,652	3,081,257	2,770,766
Vehicles	446,042	693,238	910,713	984,299
Textbooks	383,334	454,730	622,364	653,588
Construction in Progress	0	362,526	0	767,975
Total Capital Assets	<u><u>\$35,629,718</u></u>	<u><u>\$35,586,946</u></u>	<u><u>\$36,749,314</u></u>	<u><u>\$37,090,334</u></u>





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**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 30, 2004**