



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

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2005



**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 RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Donation	NA	10.550	\$0	\$106,795	\$0	\$106,795
School Breakfast Program	05PU-2004	10.553	721	0	721	0
School Breakfast Program	05PU-2005	10.553	1,851	0	1,851	0
Total School Breakfast Program			2,572	0	2,572	0
National School Lunch Program	LLP4-2004	10.555	36,119	0	36,119	0
National School Lunch Program	LLP4-2005	10.555	91,795	0	91,795	0
Total National School Lunch Program			127,914	0	127,914	0
Total Department of Agriculture - Nutrition Cluster			130,486	106,795	130,486	106,795
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Title I, Part A	C1S1-2003	84.010	0	0	1,379	0
Title I, Part A	C1S1-2004	84.010	0	0	2,263	0
Title I, Part A	C1S1-2005	84.010	138,082	0	133,501	0
Total Title I, Part A			138,082	0	137,143	0
Special Education Cluster:						
IDEA Part B	6BSF-2004P	84.027	0	0	38,444	0
IDEA Part B	6BSF-2005P	84.027	782,120	0	765,222	0
Total IDEA Part B			782,120	0	803,666	0
Preschool Disability Grant	PGS1-2005	84.173	24,090	0	24,090	0
Total Special Education Cluster			806,210	0	827,756	0
Drug Free School Grant	DRS1-2004	84.186	0	0	535	0
Drug Free School Grant	DRS1-2005	84.186	13,458	0	13,222	0
Total Drug Free School Grant			13,458	0	13,757	0
Title V - Innovative Programs	C2S1-2005	84.298	13,288	0	11,614	0
Title II-D Education Technology Grant	TJS1-2003	84.318	0	0	1,859	0
Title II-D Education Technology Grant	TJS1-2004	84.318	0	0	1,335	0
Title II-D Education Technology Grant	TJS1-2005	84.318	3,671	0	901	0
Total Title II-D Education Technology Grant			3,671	0	4,095	0
Advanced Placement Program	AVTF-2004	84.330	156		156	
Title III - Limited English Proficiency Grant	T3S1-2003	84.365	0	0	696	0
Title III - Limited English Proficiency Grant	T3S1-2004	84.365	387	0	2,772	0
Title III - Limited English Proficiency Grant	T3S1-2005	84.365	17,942	0	15,199	0
Total Title III - Limited English Proficiency Grant			18,329	0	18,667	0
Title II, Part A - Teacher and Principal Training and Recruiting	TRS1-2003	84.367	0	0	9,276	0
Title II, Part A - Teacher and Principal Training and Recruiting	TRS1-2004	84.367	0	0	9,756	0
Title II, Part A - Teacher and Principal Training and Recruiting	TRS1-2005	84.367	77,639	0	67,259	0
Total Title II, Part A - Teacher and Principal Training and Recruiting			77,639	0	86,291	0
TOTAL U. S. DEPARTMENT OF EDUCATION			1,070,833	0	1,099,479	0
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$1,201,319	\$106,795	\$1,229,965	\$106,795

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

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and 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, 2005, the District had no significant food commodities in inventory.

N/A – Not Applicable

CFDA – Catalog of Federal Domestic Assistance



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Education:

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, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 4, 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*.

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 in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated November 4, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated November 4, 2005, we reported an other matter related to noncompliance we deemed immaterial.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

Brecksville-Broadview Heights City School District
Cuyahoga County
Independent Accountants' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for 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

November 4, 2005



**Auditor of State
Betty Montgomery**

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

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

To the Board of Education:

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 apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program 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.

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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated November 4, 2005.

Federal Awards Expenditures Schedule

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, as of and for the year ended June 30, 2005, and have issued our report thereon dated November 4, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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 intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

November 4, 2005

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FISCAL YEAR END JUNE 30, 2005**

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):	Special Education Cluster (84.027 and 84.173)
<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

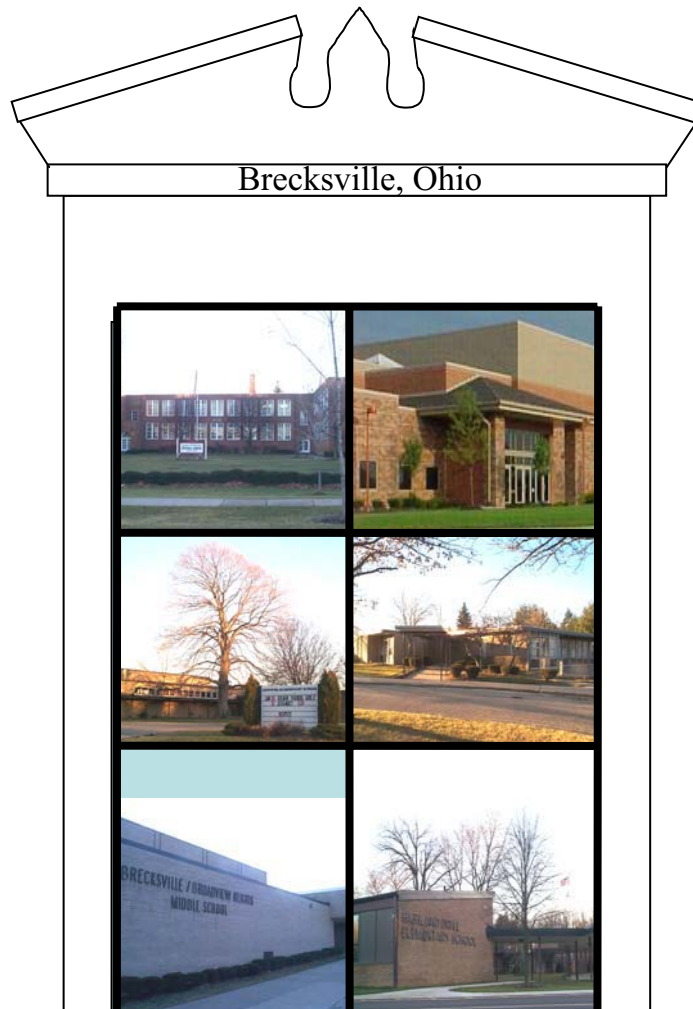
**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

*Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2005*



**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, 2005



Prepared by:

Karen E. Obratil, Treasurer/CFO



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Brecksville-Broadview Heights City School District

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2005

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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”

November 4, 2005

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, 2005. 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 the 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 4,728 students in preschool through twelfth grade. 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 the following buildings:

- Brecksville-Broadview Heights High School built in 1997 consists of students in grades 9 through 12
- Brecksville-Broadview Heights Middle School built in 1960, with additions in 1965, 1971 and 1986, consists of students in grades 6 through 8
- Central School built in 1915, with additions in 1929, 1950, 1964 and 1981, consists of students in grades 4 and 5
- Chippewa Elementary School built in 1962 consists of students in kindergarten through third grade
- Highland Drive Elementary School built in 1953, with an addition in 1957, consists of students in kindergarten through third grade
- Hilton Elementary School built in 1967 consists of students in kindergarten through third grade

All third grade students who participate in the gifted program attend classes at Chippewa Elementary School. Services are provided in all buildings to meet the needs of the special education students. 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 tax money. 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, the Cuyahoga Valley Career Center, the Ohio Schools’ Council and the 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 1995 through 2004 was an average of 4.24 percent annually including updates and reappraisals. All new construction is closely monitored. Considerable residential development has been occurring and is continuing to be planned for within the School District. Enrollment for the 1996 school year was 3,747. Enrollment for the 2005 school year was 4,728. During the past five years the School District has experienced enrollment growth averaging 2.62 percent. The enrollment projections indicate that the growth will continue. Student enrollment projections for the 2010 school year indicate enrollment of 5,043.

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 \$603,028 from the State this fiscal year 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 2005 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 seven consecutive years and received a perfect score for five out of the seven years.

The 2005 graduating class exceeded or tied all time high scores on the American College Test (ACT) with a composite score of 24.4. The School District's composite is well above the Ohio composite of 21.4 and the national composite of 20.9. The mean SAT scores earned by graduating seniors set an all time record high of 554 for verbal and 563 for math representing the second highest record. The mean scores for the State of Ohio were 539 for verbal and 543 for math. National mean scores were 508 for verbal and 520 for math. This year, the School District had three semi-finalists and nine 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, six full time and three part time speech and language pathologists and six 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 qualified 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.

Achievement/Proficiency Intervention was offered to students in grades 3 through 12. A summer reading 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 45 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 August 2004, after two levy defeats, the residents passed a five year 6.3 mill dual purpose levy consisting of 5.3 mills for operating expenses and 1 mill for permanent improvements. Collections on this levy began in January 2005.

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.

The School District authorized the issuance of a one-year renewable \$513,000 Energy Conservation Improvement Note at an interest rate of 2.75 percent. With the note proceeds and a transfer from the general fund, the School District paid off the \$773,000 Energy Conservation Improvement Note issued in 2004. 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 completed construction of the transportation and maintenance center and took occupancy in December 2004.

For the seventh 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 Schools Foundation provides scholarships for students and grants for teachers for educational 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 a new school building which would require the School District to pursue a bond issue. 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. Each year, a FACT finding report is prepared by the group, presented to the Board of Education and put on the district's web-site, www.bbhcsc.org.

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 28, 2004, to allow the School District to operate until its annual appropriations were adopted. The Board of Education adopted the permanent appropriation measure on September 27, 2004. 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 level and may transfer funds within their individual budgets throughout the year. The final appropriations measure was approved by the Board of Education on June 27, 2005.

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 fifth 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 2005. 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 \$119,192 at June 30, 2005, compared with net assets of \$349,474 at June 30, 2004, reflecting a net decrease in net assets of \$230,282. This is due to the rising cost of prescription drugs.

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 \$303,592 in governmental funds for the year ended June 30, 2005, \$300,409 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 requirement 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 \$1,000,000 for each occurrence and \$2,000,000 general aggregate, 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 \$50,000 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 Plan.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2005. The opinion appears at the beginning of the financial section of this report.

Awards

GFOA 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 fiscal year ended June 30, 2004. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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.

ASBO Certificate

In addition, the School District will submit its CAFR to the Association of School Business Officials International.

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing business officials. Management believes that the Comprehensive Annual Financial Report for fiscal year ended June 30, 2005, will conform to ASBO's principles and standards.

Acknowledgements

The publication of this report is a significant step toward professionalizing the financial reporting of the School District while enhancing the School District's accountability to the residents of the Brecksville-Broadview Heights City School District.

This Comprehensive Annual Financial Report was made possible by the diligence of the staff of the Office of the Treasurer/CFO. 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/CFO



Steven L. Farnsworth
Superintendent

Brecksville-Broadview Heights City School District

Principal Officials

Board of Education

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

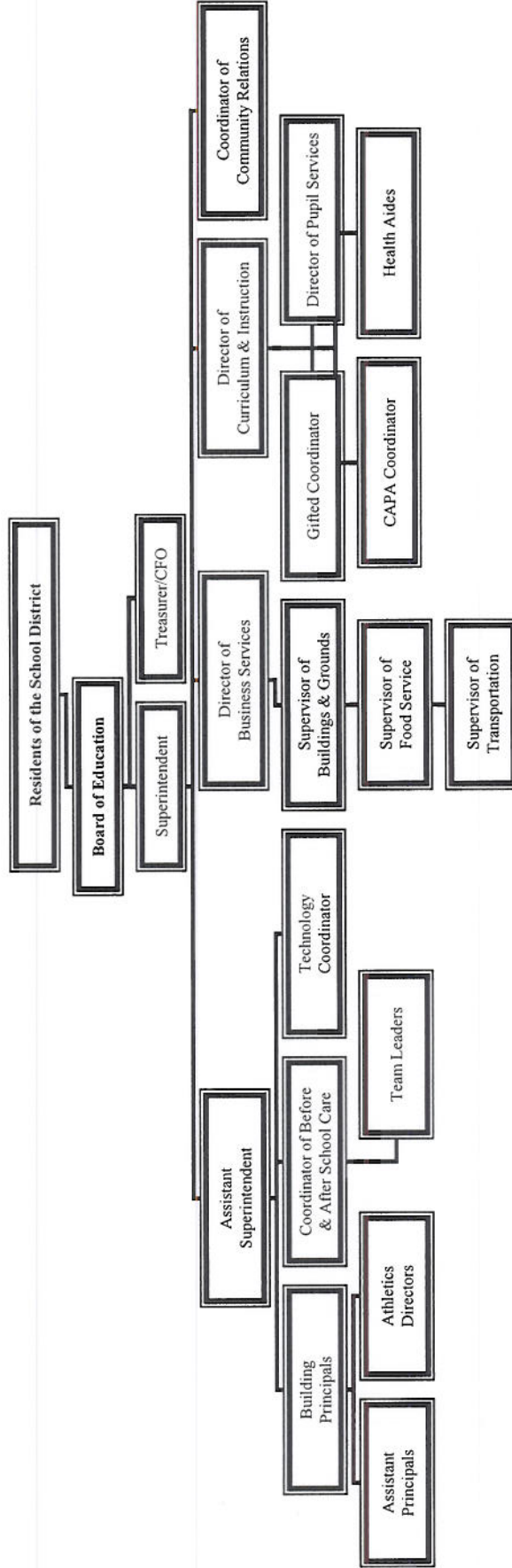
Treasurer/CFO

Mrs. Karen E. Obratil

Administration

Mr. Steven L. Farnsworth..... Superintendent
Mr. Mark Robinson Assistant Superintendent
Mr. Paul Cevalasco Director of Business Services
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, 2004

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.



Nancy L. Zjelle

President

Jeffrey R. Emer

Executive Director



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

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, 2005, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing 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 Government Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor 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.

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

Betty Montgomery
Auditor of State

November 4, 2005

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
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, 2005. 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 2005 are as follows:

- The community continued to show support for the Brecksville-Broadview Heights City School District by the passage of a 6.3 mill dual purpose levy in August 2004. This levy is being utilized for current operating expenses and 1 mill is set aside for the purchase of textbooks, technology and school buses. Tax collections on this levy began in January 2005 which resulted in an increase in property tax collections of \$1,798,842, or 5.38 percent.
- The School District completed the construction of the transportation/maintenance center which was financed through a lease purchase agreement with Key Government Finance, Inc. and will be completely paid by 2011.
- The School District made the final \$865,000 principal payment on the tax anticipation notes issued in March 2001.
- General revenues accounted for \$45,849,572 in revenue or 89.8 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,193,216 or 10.2 percent of total revenues of \$51,042,788.
- The School District had \$46,721,610 in expenses related to governmental activities; only \$5,193,216 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$45,849,572 were sufficient to cover the costs of these programs.
- Due to the defeat of two levies, the School District made budget and personnel reductions in fiscal year 2005. These reductions were offset by an increase in existing personnel wages and benefits.
- The School District has placed two renewal levies on the November 2005 ballot in order to maintain the high academic standards the communities expect of the School District. The 6.9 mill operating levy and the 6.8 mill dual purpose levy are renewals and will not result in either an increase in tax collections for the School District or property taxes for the residents.

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.

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited*

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.

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 2005?" 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

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited*

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.

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 2005 compared to 2004.

Table I
Net Assets
Governmental Activities

	<u>2005</u>	<u>2004</u>
Assets		
Current and Other Assets	\$51,988,338	\$43,180,994
Capital Assets	<u>36,964,647</u>	<u>37,090,334</u>
Total Assets	<u>88,952,985</u>	<u>80,271,328</u>
Liabilities		
Current Liabilities	40,956,456	35,662,626
Long-Term Liabilities		
Due within One Year	1,702,565	2,008,916
Due in More than One Year	<u>33,855,747</u>	<u>34,482,747</u>
Total Liabilities	<u>76,514,768</u>	<u>72,154,289</u>
Net Assets		
Invested in Capital Assets		
Net of Related Debt	4,776,592	5,063,402
Restricted for:		
Capital Projects	1,496,479	50,217
Debt Service	2,958,709	3,225,770
Other Purposes	471,229	382,180
Unrestricted (Deficit)	<u>2,735,208</u>	<u>(604,530)</u>
Total Net Assets	<u>\$12,438,217</u>	<u>\$8,117,039</u>

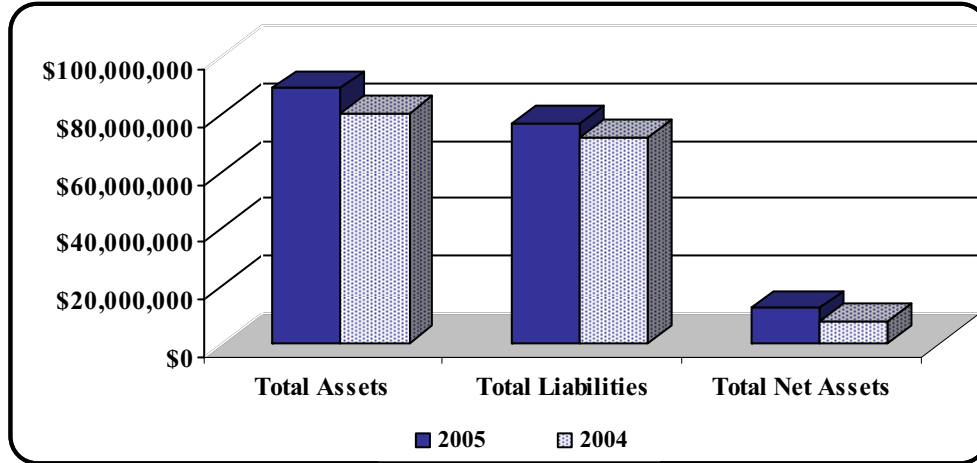
Graph 1

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited*

Net Assets Governmental Activities

	<u>2005</u>	<u>2004</u>
Total Assets	\$88,952,985	\$80,271,328
Total Liabilities	76,514,768	72,154,289
Total Net Assets	12,438,217	8,117,039



Total assets increased \$8,681,657, or 10.8 percent due to recognizing a full year of tax collections from the 6.3 mill dual purpose levy. This decrease in capital assets is due to the completion of the transportation/maintenance center and offset by the annual depreciation of capital assets.

The recognition of a full year of tax collections increased liabilities (deferred revenue) for governmental activities by \$4,360,479. This increase was offset by a decrease in notes payable and long term liabilities due in more than one year with the annual debt service payments.

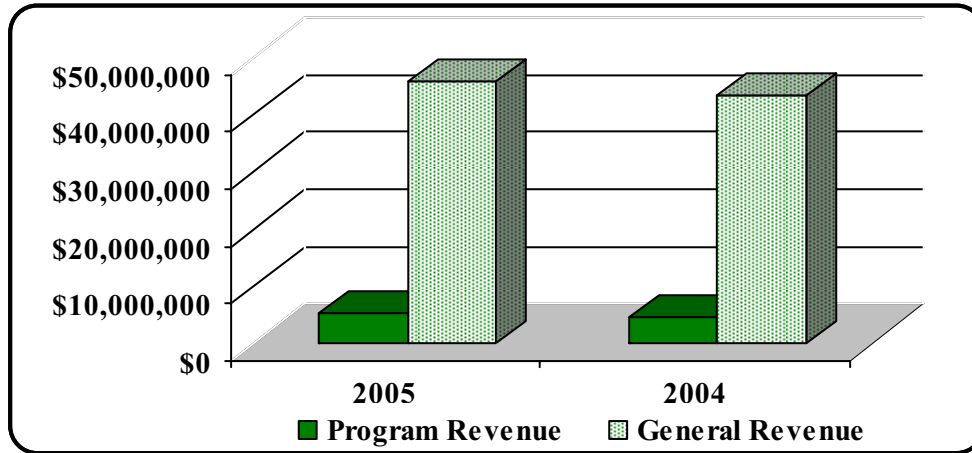
The net impact was an increase of net assets of the School District's governmental activities in the amount of \$4,321,178.

Graph 2
Revenue for Governmental Activities

	<u>2005</u>	<u>2004</u>
Program Revenue	\$5,193,216	\$4,494,065
General Revenue	45,849,572	43,276,839

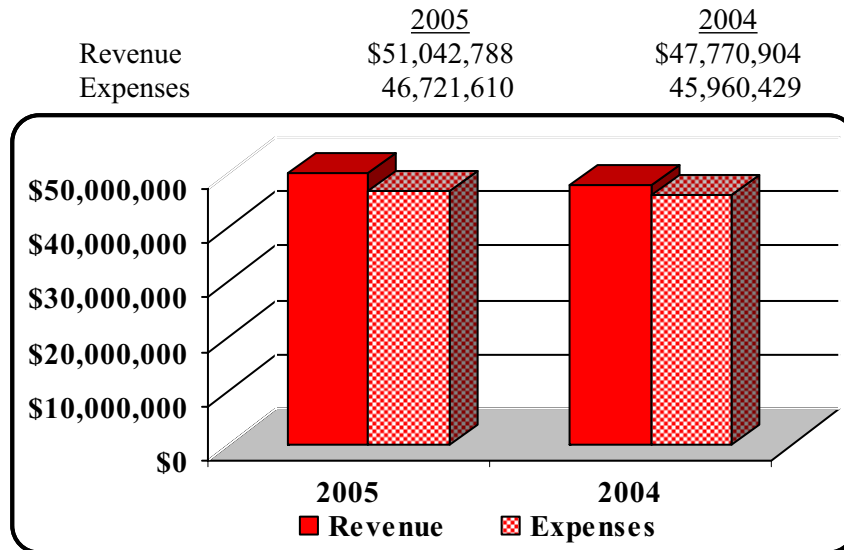
Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited*



While program revenue increased for governmental activities from \$4,494,065 to \$5,193,216, the majority of the revenue supporting governmental activities is general revenue. General revenue increased from \$43,276,839 in 2004 to \$45,849,572. The majority of the increase is due to the passage of the 6.3 mill dual purpose levy in August 2004. General revenue comprised 89.8 percent of revenue supporting Governmental Activities.

Graph 3
Revenues and Expenses for Governmental Activities



Program expenses increased from \$45,960,429 in 2004 to \$46,721,610 in 2005, a 1.7 percent increase. The largest governmental activities program expense remains instruction, comprising 53.1 percent of expenses. When combined with pupil and instructional support these categories make up 64 percent of expenses.

Table 2 shows the changes in net assets for fiscal year 2005. Since this is the fifth year the School District has prepared financial statements following GASB Statement 34, revenue and expense analysis of government-wide data compares fiscal year 2005 to fiscal year 2004.

Brecksville-Broadview Heights City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2005

Unaudited

Table 2
Change in Net Assets
Governmental Activities

	2005	2004
Revenues		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$3,101,694	\$2,798,866
Operating Grants, Contributions and Interest	2,019,642	1,667,142
Capital Grants and Contributions	71,880	28,057
Total Program Revenues	5,193,216	4,494,065
<i>General Revenues:</i>		
Taxes	35,235,424	33,436,582
Intergovernmental	10,242,942	9,624,223
Payment in Lieu of Taxes	0	17,848
Unrestricted Contributions	0	5,942
Interest	300,889	108,023
Gain on Sale of Capital Assets	2,284	6,988
Miscellaneous	68,033	77,233
Total General Revenues	45,849,572	43,276,839
Total Revenues	51,042,788	47,770,904
Program Expenses		
<i>Instruction:</i>		
Regular	19,813,375	20,117,135
Special	4,649,733	4,346,033
Vocational	296,206	355,380
Adult/Continuing	30,824	13,408
<i>Support Services:</i>		
Pupil	2,868,628	2,642,972
Instructional Staff	2,148,023	2,033,834
Board of Education	82,551	48,449
Administration	3,131,675	2,980,665
Fiscal	902,114	777,948
Business	443,117	466,348
Operation and Maintenance of Plant	4,217,392	4,161,441
Pupil Transportation	2,885,018	2,687,514
Central	162,987	206,758
Operation of Non-Instructional Services	481,639	405,875
Food Service Operations	1,343,942	1,422,555
Child Care Operations	350,949	408,345
Extracurricular Activities	998,094	934,006
Interest and Fiscal Charges	1,915,343	1,951,763
Total Program Expenses	46,721,610	45,960,429
Increase in Net Assets	4,321,178	1,810,475
Net Assets Beginning of Year	8,117,039	6,306,564
Net Assets End of Year	\$12,438,217	\$8,117,039

Brecksville-Broadview Heights City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2005

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 69 percent of revenues for governmental activities for Brecksville-Broadview Heights City School District in fiscal year 2005.

Instruction comprises 53.1 percent of governmental program expenses. Support services for pupils and instructional staff comprise 10.7 percent. Administrative expenses are 6.7 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

	2005		2004	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$24,790,138	(\$22,783,884)	\$24,831,956	(\$23,366,377)
Support Services				
Pupil and Instructional Staff	5,016,651	(4,633,178)	4,676,806	(4,362,982)
Board of Education, Administration, Fiscal and Business	4,559,457	(4,465,875)	4,273,410	(4,219,368)
Operation and Maintenance of Plant	4,217,392	(4,130,001)	4,161,441	(4,105,421)
Pupil Transportation	2,885,018	(2,803,067)	2,687,514	(2,631,348)
Central	162,987	(158,510)	206,758	(202,744)
Operation of Non-Instructional Services	481,639	(49,942)	405,875	21,336
Food Service Operations	1,343,942	1,228	1,422,555	(118,016)
Child Care Operations	350,949	60,636	408,345	55,846
Extracurricular Activities	998,094	(650,458)	934,006	(585,527)
Interest and Fiscal Charges	1,915,343	(1,915,343)	1,951,763	(1,951,763)
Total	\$46,721,610	(\$41,528,394)	\$45,960,429	(\$41,466,364)

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited*

The dependence upon tax revenues for governmental activities is apparent. Over 90.8 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities, general revenue support is 89 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 \$50,997,539 and expenditures of \$47,784,269. The net change in fund balance for the year was most significant in the General Fund, an increase of \$3,569,115. This increase occurred due to receipt of half a year of tax collections on the 6.3 mill dual purpose levy approved by the voters in August 2004. The net change in the bond retirement debt service fund was a decrease of \$241,317. The nonmajor funds had an increase in grant revenue that was offset by a full year of lease payments on the transportation/maintenance facility and increased costs for special needs students resulting in an overall decrease of \$112,244.

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 2005, 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 budget basis revenue was \$42,273,013, \$878,554 above final budget estimates of \$41,394,459. This difference is due to conservative estimates of tax and interest revenues.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$39,107,256, \$1,505,766 under original budget estimates of \$40,613,022. Excess of revenues over expenditures is \$3,165,757.

The School District's ending unobligated cash balance was \$1,049,997 above the final budget amount. This result was primarily due to receipt of a half year tax collections on the 6.3 mill dual purpose levy approved by the voters in August 2004.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2005, the School District had \$36,964,647 invested in land, buildings and improvements, furniture and equipment, vehicles and textbooks. Table 4 shows fiscal year 2005 balances compared to fiscal year 2004.

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited*

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

	<u>2005</u>	<u>2004</u>
Land	\$3,209,781	\$3,209,781
Buildings and Improvements	29,478,421	28,703,925
Furniture and Equipment	2,500,848	2,770,766
Vehicles	1,044,686	984,299
Textbooks	730,911	653,588
Construction in Progress	<u>0</u>	<u>767,975</u>
Total Capital Assets	<u>\$36,964,647</u>	<u>\$37,090,334</u>

For fiscal year 2005, buildings and improvements increased by \$774,496 due to the completion of the transportation/maintenance center. The School District purchased three new school buses accounting for the increase in vehicles. These increases were offset by an increase in annual depreciation. 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 2005, this amounted to \$670,038 for each set aside. Textbook purchases of \$203,250 was due to textbook updates and replacements. See Note 10 for capital asset information.

Debt

At June 30, 2005, the School District had \$29,774,169 in bonds outstanding and \$513,000 in notes outstanding. Table 5 summarizes bonds and notes outstanding:

Table 5
Outstanding Debt at Year End
Governmental Activities

	<u>2005</u>	<u>2004</u>
General Obligation Bonds:		
Stadium Complex	\$70,000	\$140,000
New High School	29,550,000	30,515,000
Real Estate Acquisition	154,169	173,317
Notes Payable:		
Tax Anticipation	0	865,000
HB264 Energy Note	<u>513,000</u>	<u>773,000</u>
Total	<u>\$30,287,169</u>	<u>\$32,466,317</u>

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.

Brecksville-Broadview Heights City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited*

In 1996 the School District passed a 3.97 mill bond issue, providing \$36,000,000 for the construction, furnishing and equipping a new high school and renovating, improving, furnishing and equipping school facilities and their sites.

In 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, after the passage of a 6.9 mill operating levy in February, the School District issued tax anticipation notes to ensure the financial stability of the School District until the tax revenue would be received. The final debt payment on the tax anticipation notes was made in December 2004.

The School District also issued a one-year renewable energy conservation note in the amount of \$513,000. Note proceeds plus a transfer of funds from the general fund were used to pay off the \$773,000 energy conservation note issued in 2004. 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 19 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 \$96,933.33 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 \$551,466.67 (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. With the defeat of two levies, the School District made personnel reductions effective for the 2004-05 school year. With the passage of a 6.3 mill dual purpose levy in August 2004, the School District remained prudent in managing expenditures and most of the personnel reductions were not reinstated. This levy generated half of the tax collections estimated at \$5,993,159 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 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. In order to prudently plan for the School District's academic future, the School District placed two levy renewals on the November 2005 ballot.

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, 2005
Unaudited*

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.

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

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, 2005

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$11,849,092
Investments	154,169
Accounts Receivable	50,421
Intergovernmental Receivable	29,997
Inventory Held for Resale	39,939
Materials and Supplies Inventory	6,312
Prepaid Items	5,973
Taxes Receivable	39,742,396
Unamortized Bond Issuance Costs	110,039
Nondepreciable Capital Assets	3,209,781
Depreciable Capital Assets, Net	<u>33,754,866</u>
<i>Total Assets</i>	<u>88,952,985</u>
Liabilities	
Accounts Payable	191,648
Accrued Wages	3,758,128
Intergovernmental Payable	1,246,040
Matured Compensated Absences Payable	307,823
Special Termination Benefits Payable	75,000
Deferred Revenue	34,679,242
Accrued Interest Payable	151,610
Notes Payable	513,000
Claims Payable	33,965
Long-Term Liabilities:	
Due Within One Year	1,702,565
Due In More Than One Year	<u>33,855,747</u>
<i>Total Liabilities</i>	<u>76,514,768</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	4,776,592
Restricted for:	
Capital Projects	1,496,479
Debt Service	2,958,709
Other Purposes	471,229
Unrestricted	<u>2,735,208</u>
<i>Total Net Assets</i>	<u>\$12,438,217</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, 2005

	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	\$19,813,375	\$636,096	\$348,720	\$39,060	(\$18,789,499)
Special	4,649,733	440,896	413,240	0	(3,795,597)
Vocational	296,206	0	92,484	0	(203,722)
Adult/Continuing	30,824	0	35,758	0	4,934
Support Services:					
Pupil	2,868,628	0	47,884	0	(2,820,744)
Instructional Staff	2,148,023	0	335,589	0	(1,812,434)
Board of Education	82,551	0	0	0	(82,551)
Administration	3,131,675	421	51,288	0	(3,079,966)
Fiscal	902,114	41,853	20	0	(860,241)
Business	443,117	0	0	0	(443,117)
Operation and Maintenance of Plant	4,217,392	86,413	978	0	(4,130,001)
Pupil Transportation	2,885,018	20,094	29,037	32,820	(2,803,067)
Central	162,987	0	4,477	0	(158,510)
Operation of Non-Instructional					
Services	481,639	0	431,697	0	(49,942)
Food Service Operations	1,343,942	1,138,749	206,421	0	1,228
Child Care Operations	350,949	391,306	20,279	0	60,636
Extracurricular Activities	998,094	345,866	1,770	0	(650,458)
Interest and Fiscal Charges	1,915,343	0	0	0	(1,915,343)
Totals	\$46,721,610	\$3,101,694	\$2,019,642	\$71,880	(41,528,394)
General Revenues					
Property Taxes Levied for:					
					31,825,729
					2,178,970
					1,230,725
					10,242,942
					300,889
					2,284
					68,033
					<u>45,849,572</u>
					Change in Net Assets 4,321,178
					<u>Net Assets Beginning of Year, Restated 8,117,039</u>
					<u>Net Assets End of Year \$12,438,217</u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Balance Sheet

Governmental Funds

June 30, 2005

	General	Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$6,310,780	\$3,339,904	\$2,044,981	\$11,695,665
Investments	0	154,169	0	154,169
Taxes Receivable	35,506,402	2,625,061	1,610,933	39,742,396
Accounts Receivable	42,479	0	7,942	50,421
Intergovernmental Receivable	0	0	29,997	29,997
Interfund Receivable	105,000	0	0	105,000
Inventory Held for Resale	0	0	39,939	39,939
Materials and Supplies Inventory	0	0	6,312	6,312
Prepaid Items	5,973	0	0	5,973
<i>Total Assets</i>	<u>\$41,970,634</u>	<u>\$6,119,134</u>	<u>\$3,740,104</u>	<u>\$51,829,872</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$145,624	\$0	\$45,754	\$191,378
Accrued Wages and Benefits	3,682,028	0	76,100	3,758,128
Matured Compensated Absences Payable	307,823	0	0	307,823
Interfund Payable	0	0	105,000	105,000
Matured Special Termination Benefits Payable	75,000	0	0	75,000
Intergovernmental Payable	1,157,956	0	88,084	1,246,040
Deferred Revenue	31,231,755	2,246,903	1,398,126	34,876,784
Accrued Interest Payable	0	0	1,314	1,314
Notes Payable	0	0	513,000	513,000
<i>Total Liabilities</i>	<u>36,600,186</u>	<u>2,246,903</u>	<u>2,227,378</u>	<u>41,074,467</u>
Fund Balances				
Reserved for Encumbrances	434,765	0	324,330	759,095
Reserved for Property Taxes	4,157,498	372,391	209,157	4,739,046
Unreserved, Undesignated				
Reported in:				
General Fund	778,185	0	0	778,185
Special Revenue Funds	0	0	505,403	505,403
Debt Service Fund	0	3,499,840	0	3,499,840
Capital Projects Funds	0	0	473,836	473,836
<i>Total Fund Balances</i>	<u>5,370,448</u>	<u>3,872,231</u>	<u>1,512,726</u>	<u>10,755,405</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$41,970,634</u>	<u>\$6,119,134</u>	<u>\$3,740,104</u>	<u>\$51,829,872</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, 2005

Total Governmental Fund Balances		\$10,755,405
 <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.		36,964,647
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	1,130,980	
Rentals	13,913	
Charges for Services	965	
Miscellaneous	184	
	<hr/>	
Total		1,146,042
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.		119,192
In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in intergovernmental funds, an interest expenditure is reported when due.		(150,296)
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	(29,620,000)	
Manuscript Bond	(154,169)	
Compensated Absences	(3,883,257)	
Capital Leases Payable	(1,900,886)	
	<hr/>	
Total		(35,558,312)
In the statement of net assets, the swap payment is deferred revenue until the refunding bonds are issued.		(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.		110,039
		<hr/>
<i>Net Assets of Governmental Activities</i>		<u>\$12,438,217</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, 2005

	General	Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$31,796,703	\$2,201,909	\$1,208,909	\$35,207,521
Intergovernmental	9,836,049	384,562	1,955,692	12,176,303
Interest	300,409	0	3,183	303,592
Tuition and Fees	526,321	0	390,978	917,299
Extracurricular Activities	92,579	0	253,287	345,866
Rentals	48,219	0	0	48,219
Charges for Services	307,603	0	1,467,829	1,775,432
Contributions and Donations	9,366	0	146,092	155,458
Miscellaneous	67,833	16	0	67,849
<i>Total Revenues</i>	<u>42,985,082</u>	<u>2,586,487</u>	<u>5,425,970</u>	<u>50,997,539</u>
Expenditures				
Current:				
Instruction:				
Regular	18,246,887	0	565,635	18,812,522
Special	4,038,996	0	528,488	4,567,484
Vocational	284,397	0	0	284,397
Adult/Continuing	0	0	30,824	30,824
Support Services:				
Pupil	2,735,204	0	71,394	2,806,598
Instructional Staff	1,755,872	0	333,199	2,089,071
Board of Education	82,551	0	0	82,551
Administration	2,931,899	0	52,566	2,984,465
Fiscal	893,087	0	254	893,341
Business	366,004	0	0	366,004
Operation and Maintenance of Plant	4,044,547	0	5,345	4,049,892
Pupil Transportation	2,718,538	0	29,037	2,747,575
Central	158,832	0	4,477	163,309
Operation of Non-Instructional Services	0	0	477,231	477,231
Food Service Operations	0	0	1,348,628	1,348,628
Child Care Operations	0	0	374,298	374,298
Extracurricular Activities	732,848	0	235,103	967,951
Capital Outlay	0	0	1,454,770	1,454,770
Debt Service:				
Principal Retirement	102,247	1,035,000	233,573	1,370,820
Interest and Fiscal Charges	40,660	1,792,804	79,074	1,912,538
<i>Total Expenditures</i>	<u>39,132,569</u>	<u>2,827,804</u>	<u>5,823,896</u>	<u>47,784,269</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,852,513</u>	<u>(241,317)</u>	<u>(397,926)</u>	<u>3,213,270</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	2,284	0	0	2,284
Transfers In	0	0	285,682	285,682
Transfers Out	(285,682)	0	0	(285,682)
<i>Total Other Financing Sources (Uses)</i>	<u>(283,398)</u>	<u>0</u>	<u>285,682</u>	<u>2,284</u>
<i>Net Change in Fund Balances</i>	3,569,115	(241,317)	(112,244)	3,215,554
<i>Fund Balances Beginning of Year</i>	<u>1,801,333</u>	<u>4,113,548</u>	<u>1,624,970</u>	<u>7,539,851</u>
<i>Fund Balances End of Year</i>	<u>\$5,370,448</u>	<u>\$3,872,231</u>	<u>\$1,512,726</u>	<u>\$10,755,405</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, 2005*

Net Change in Fund Balances - Total Governmental Funds \$3,215,554

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

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

Capital Outlay	1,630,267	
Depreciation	<u>(1,755,954)</u>	
Total		(125,687)

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

Property Taxes	27,903	
Rentals	13,913	
Charges for Services	965	
Miscellaneous	<u>184</u>	
Total		42,965

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. 1,370,820

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	6,764	
Amortization of Issuance Costs	<u>(9,569)</u>	
Total		(2,805)

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	(437,469)	
Pension Obligation	<u>488,082</u>	
Total		50,613

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. (230,282)

Change in Net Assets of Governmental Activities \$4,321,178

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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$27,221,564	\$30,609,668	\$31,066,302	\$456,634
Intergovernmental	9,849,093	9,760,903	9,866,534	105,631
Interest	110,000	125,000	304,845	179,845
Tuition and Fees	453,000	345,947	527,364	181,417
Extracurricular Activities	100,000	100,000	92,579	(7,421)
Payment in Lieu of Taxes	18,000	18,000	0	(18,000)
Rentals	60,000	13,828	43,894	30,066
Charges for Services	356,000	355,000	312,643	(42,357)
Contributions and Donations	18,000	16,000	9,366	(6,634)
Miscellaneous	65,000	50,113	49,486	(627)
<i>Total Revenues</i>	<u>38,250,657</u>	<u>41,394,459</u>	<u>42,273,013</u>	<u>878,554</u>
Expenditures				
Current:				
Instruction:				
Regular	18,083,601	18,056,638	17,974,209	82,429
Special	4,376,097	4,119,322	4,117,511	1,811
Vocational	297,304	297,175	297,071	104
Support Services:				
Pupil	2,471,232	2,649,440	2,647,531	1,909
Instructional Staff	1,753,702	1,722,558	1,721,031	1,527
Board of Education	152,675	83,359	82,060	1,299
Administration	3,234,831	3,019,604	3,011,754	7,850
Fiscal	1,186,147	896,124	890,120	6,004
Business	512,706	386,867	382,768	4,099
Operation and Maintenance of Plant	4,706,716	4,322,281	4,290,461	31,820
Pupil Transportation	2,865,154	2,783,434	2,767,758	15,676
Central	202,995	175,586	173,120	2,466
Extracurricular Activities	744,648	726,881	726,648	233
Debt Service:				
Principal Retirement	19,148	19,148	19,148	0
Interest and Fiscal Charges	6,066	6,066	6,066	0
<i>Total Expenditures</i>	<u>40,613,022</u>	<u>39,264,483</u>	<u>39,107,256</u>	<u>157,227</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$2,362,365)</u>	<u>\$2,129,976</u>	<u>\$3,165,757</u>	<u>\$1,035,781</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, 2005*

	<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	\$0	\$2,284	\$2,284	\$0
Advances In	53,000	3,000	75,000	72,000
Advances Out	(54,000)	(130,000)	(130,000)	0
Transfers In	54,784	57,784	0	(57,784)
Transfers Out	(425,000)	(285,682)	(285,682)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(371,216)</u>	<u>(352,614)</u>	<u>(338,398)</u>	<u>14,216</u>
<i>Net Change in Fund Balance</i>	(2,733,581)	1,777,362	2,827,359	1,049,997
<i>Fund Balance Beginning of Year</i>	2,276,893	2,276,893	2,276,893	0
Prior Year Encumbrances Appropriated	<u>637,572</u>	<u>637,572</u>	<u>637,572</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$180,884</u>	<u>\$4,691,827</u>	<u>\$5,741,824</u>	<u>\$1,049,997</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, 2005

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$153,427</u>
Liabilities	
Accounts Payable	270
Claims Payable	<u>33,965</u>
<i>Total Liabilities</i>	<u>34,235</u>
Net Assets	
Unrestricted	<u><u>\$119,192</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, 2005

	<u>Insurance</u>
Operating Revenues	
Charges for Services	<u>\$542,546</u>
Operating Expenses	
Purchased Services	6,396
Claims	<u>766,432</u>
<i>Total Operating Expenses</i>	<u>772,828</u>
<i>Change in Net Assets</i>	(230,282)
<i>Net Assets Beginning of Year</i>	<u>349,474</u>
<i>Net Assets End of Year</i>	<u><u>\$119,192</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, 2005

	<u>Insurance</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services	\$542,546
Cash Payments for Goods and Services	(6,126)
Cash Payments for Claims	<u>(765,127)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(228,707)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>382,134</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$153,427</u></u>
 Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$230,282)
Adjustments:	
Increase in Liabilities:	
Accounts Payable	270
Claims Payable	<u>1,305</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$228,707)</u></u>

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2005

	<u>Private Purpose Trust</u>	
	<u>Unclaimed Monies</u>	<u>Agency</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$885	<u>\$142,336</u>
Liabilities		
Due to Students	<u>0</u>	<u>\$141,451</u>
Net Assets		
Held in Trust for Unclaimed Monies	<u>\$885</u>	

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Changes in Fiduciary Net Assets

Private Purpose Trust Fund

For the Fiscal Year Ended June 30, 2005

	<u>Unclaimed Monies</u>
Additions	
Miscellaneous	\$885
Deductions	<u>0</u>
<i>Change in Net Assets</i>	885
<i>Net Assets Beginning of Year</i>	<u>0</u>
<i>Net Assets End of Year</i>	<u><u>\$885</u></u>

See accompanying notes to the financial statements

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

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 259 non-certificated employees, 307 certificated teaching personnel and 22 administrative employees to provide services to 4,728 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 administer 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, 2005*

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.

Brecksville-Broadview Heights Schools Foundation 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 internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. The more 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.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements 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 funds are 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's only trust fund is a private

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

purpose trust which accounts for unclaimed monies for employees. 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.

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.

The private purpose trust fund is reported using the economic resources measurement focus.

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

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.

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, 2005, but which were levied to finance fiscal year 2006 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 passed by the Board of Education.

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, 2005*

F. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds 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 2005, investments were limited to federal home loan mortgage corporation notes, repurchase agreements, manuscript bonds and STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as 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, 2005.

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 2005 amounted to \$300,409, which includes \$136,596 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, 2005, 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

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 vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after five years of service.

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, 2005*

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. The government-wide statement of net assets reports \$4,926,417 of restricted net assets, of which \$4,659,338 is restricted by enabling legislation. 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 appropriation 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.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

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.

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 and Restatement of Net Assets

A. Changes in Accounting Principles

For fiscal year 2005, the School District has implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosures,” GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation” and GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers.”

GASB Statement No. 40 establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

GASB Statement No. 46 clarifies when net assets should be considered restricted based upon enabling legislation.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 40, GASB Statement No. 46 and GASB Technical Bulletin No. 2004-2 did not materially affect the presentation of the financial statements of the School District.

B. Restatement of Net Assets

The School District changed their method of accruing compensated absences from the termination method to the vesting method. The implementation of this change decreased net assets at June 30, 2004 by \$271,420, from \$8,388,459 to \$8,117,039.

Note 4 – Accountability and Compliance

A. Accountability

The building capital projects fund deficit of \$434,378 is due to the adjustments for accrued liabilities. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

B. Compliance

The auxiliary services special revenue fund had final appropriations in excess of estimated resources and carryover balances in the amount of \$2,703 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.

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 Balances - 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).
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	\$3,569,115
Net Adjustment for Revenue Accruals	183,089
Advance In	75,000
Beginning Fair Value Adjustment for Investments	(6,508)
Ending Fair Value Adjustment for Investments	10,944
Revenue moved for Debt	(899,594)
Net Adjustment for Expenditure Accruals	605,213
Advance Out	(130,000)
Adjustment for Encumbrances	(579,900)
Budget Basis	<u><u>\$2,827,359</u></u>

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

Note 6 - Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

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

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

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

Interim monies held by the School District can 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 payment of 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, 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 securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAROhio);
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

Brecksville-Broadview Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$8,100,233 of the School District's bank balance of \$8,317,754 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Investments are reported at fair value. As of June 30, 2005, the School District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Victory Federal Money Market Mutual Fund	\$2,188,294	1 day
Federal Home Loan Mortgage Corporation Note	791,080	August 15, 2006
Manuscript Bond	154,169	December 1, 2011
STAROhio	<u>1,005,357</u>	33 days
Total	<u>\$4,138,900</u>	

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years except for the manuscript bond. The manuscript bond represents an investment in which the School District purchased its own real estate acquisition bond. This bond matures on December 1, 2011.

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
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Credit Risk The Federal Home Loan Mortgage Corporation Note carries a rating of AAA by Standard & Poor’s and Victory Federal Money Market Mutual Fund and STAROhio also carries a rating of AAAM by Standard & Poor’s. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District’s allocation as of June 30, 2005:

<u>Investment</u>	<u>Percentage of Investments</u>
Victory Federal Money Market Mutual Fund	52.87%
Federal Home Loan Mortgage Corporation Notes	19.11%
Manuscript Bond	3.72%
STAROhio	24.29%

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 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, 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 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 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 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. 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.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

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, 2005, are available to finance fiscal year 2005 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, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the late settlement of tangible personal property taxes and 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, 2005, was \$4,157,498 in the general fund, \$372,391 in the bond retirement debt service fund and \$209,157 in the permanent improvement capital projects fund. 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.

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.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$877,378,830	92.23%	\$897,903,880	92.12%
Public Utility	29,439,450	3.09	28,456,740	2.92
Tangible Personal Property	44,476,870	4.68	48,367,742	4.96
	<u>\$951,295,150</u>	<u>100.00%</u>	<u>\$974,728,362</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$71.40		\$77.60	

In August of 2004, the School District passed a dual purpose levy with 5.3 mills for operating expenses and 1 mill for permanent improvements. The collection of this levy began in January 2005.

Note 8 - Receivables

Receivables at June 30, 2005, 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. All receivables will be collected within one year.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Food Service	\$19,219
Title V	7,403
Preschool	2,448
Title I	903
Title II-D	24
<i>Total Intergovernmental Receivables</i>	<u><u>\$29,997</u></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 2005, 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.

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage Amount</u>
Indiana Insurance Company	Property	\$96,591,232
	Inland Marine	4,376,524
	Crime	50,000
	Extra Expense	1,000,000
	General Liability, in aggregate	2,000,000
	General Liability, per occurrence	1,000,000
	Fleet Insurance, single limit	1,000,000
	Fleet Insurance, uninsured	500,000
	Auto Medical Payments	5,000
	Travelers Insurance	Boiler and Machinery
Spoilage		100,000
Water Damage		100,000
Hazardous Substance		100,000
Ammonia Contamination		100,000
Off Premises Service Interruption		500,000
Ohio Casualty	Public Officials Bond	15,000

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

The claims liability of \$33,965 reported in the internal service fund at June 30, 2005 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 2004 and 2005 were as follows:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2004	\$15,899	\$651,441	\$634,680	\$32,660
2005	32,660	766,432	765,127	33,965

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D. Employee Health Benefits

The School District participates in the Suburban Health Consortium, a shared risk pool (Note 21) 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, 2005, was as follows:

	Balance 6/30/04	Additions	Deletions	Balance 6/30/05
Governmental Activities				
<i>Capital Assets, not being depreciated</i>				
Land	\$3,209,781	\$0	\$0	\$3,209,781
Construction in Progress	767,975	995,492	(1,763,467)	0
<i>Total Capital Assets, not being depreciated</i>	<u>3,977,756</u>	<u>995,492</u>	<u>(1,763,467)</u>	<u>3,209,781</u>
<i>Capital Assets, being depreciated</i>				
Buildings and Improvements	42,664,637	1,828,680	0	44,493,317
Furniture and Equipment	7,630,732	159,641	0	7,790,373
Vehicles	2,690,499	206,671	(84,344)	2,812,826
Textbooks	1,133,611	203,250	0	1,336,861
<i>Total Capital Assets, being depreciated</i>	<u>54,119,479</u>	<u>2,398,242</u>	<u>(84,344)</u>	<u>56,433,377</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(13,960,712)	(1,054,184)	0	(15,014,896)
Furniture and Equipment	(4,859,966)	(429,559)	0	(5,289,525)
Vehicles	(1,706,200)	(146,284)	84,344	(1,768,140)
Textbooks	(480,023)	(125,927)	0	(605,950)
<i>Total Accumulated Depreciation</i>	<u>(21,006,901)</u>	<u>(1,755,954) *</u>	<u>84,344</u>	<u>(22,678,511)</u>
<i>Total Capital Assets, being depreciated, Net</i>	<u>33,112,578</u>	<u>642,288</u>	<u>0</u>	<u>33,754,866</u>
<i>Governmental Activities Assets, Net</i>	<u>\$37,090,334</u>	<u>\$1,637,780</u>	<u>(\$1,763,467)</u>	<u>\$36,964,647</u>

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* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,019,386
Special	54,039
Vocational	15,389
Support Services:	
Pupil	58,887
Instructional Staff	36,981
Administration	72,033
Fiscal	11,315
Business	67,618
Operation and Maintenance of Plant	176,787
Pupil Transportation	138,868
Central	2,675
Operation of Non-Instructional Services	9,856
Food Service Operations	67,006
Extracurricular Activities	25,114
Total Depreciation Expense	<u><u>\$1,755,954</u></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.

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 90 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.

Brecksville-Broadview Heights City School District

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C. Retirement Incentive

The School District Board of Education offered employees participation in a Retirement Incentive program beginning August 1, 2004 through June 30, 2008. 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. The value of the retirement incentive is contingent upon the number of participants in any given year. If at least five but fewer than ten eligible teachers submit a timely Letter of Resignation, they will receive \$15,000. If at least ten but fewer than fifteen eligible teachers submit a timely Letter of Resignation, they will receive \$20,000. If at least fifteen teachers submit a timely Letter of Resignation, they will receive \$25,000. One-half of this retirement incentive is paid in January and the other half is paid in December following the first payment. Five employees participated in the program and their incentives will be completely paid by December 2006.

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 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 or by calling (614) 222-5853.

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 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 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 statutory maximum amounts, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$702,139, \$625,397 and \$547,264; 60.54 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

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

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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, 2005, 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. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. 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, 2005, 2004, and 2003 were \$2,603,873, \$2,531,815 and \$2,372,479; 83.87 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$28,457 made by the School District and \$56,946 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/State Teachers Retirement System. As of June 30, 2005, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

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 funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their 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

Brecksville-Broadview Heights City School District

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absorbed by STRS. All benefit recipients pay a portion of 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, 2005, 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 \$200,298 for fiscal year 2005.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 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. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

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, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. 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 2005, the minimum pay was established at \$27,400. 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 to fund health care benefits, including surcharge, during the 2005 fiscal year equaled \$360,701.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

Note 14 - Long-Term Obligations

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

	Principal Outstanding 6/30/04	Additions	Reductions	Principal Outstanding 6/30/05	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
8.12% 1986 Stadium Complex	\$140,000	\$0	(\$70,000)	\$70,000	\$70,000
5.60% 1996 New High School	30,515,000	0	(965,000)	29,550,000	1,015,000
Total General Obligation Bonds	\$30,655,000	\$0	(\$1,035,000)	\$29,620,000	\$1,085,000
3.5% 2002 Real Estate					
Manuscript Bonds	\$173,317	\$0	(\$19,148)	\$154,169	\$19,818

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	Principal Outstanding 6/30/04	Additions	Reductions	Principal Outstanding 6/30/05	Amounts Due in One Year
Compensated Absences	3,445,788	736,509	(299,040)	3,883,257	267,631
Capital Lease	2,217,558	0	(316,672)	1,900,886	330,116
Total Governmental Activities					
Long-Term Liabilities	\$36,491,663	\$736,509	(\$1,669,860)	\$35,558,312	\$1,702,565

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 the construction, furnishing and equipping a new high school and renovating, improving, furnishing and equipping school facilities and their sites. 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.

The School District's overall debt margin was \$61,823,615 with an unvoted debt margin of \$974,728 at June 30, 2005. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2005 are as follows:

	General Obligation Bonds		Manuscript Bonds		Total
	Principal	Interest	Principal	Interest	
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	1,320,000	1,414,805	22,741	2,472	2,760,018
2011-2015	7,875,000	5,736,524	47,898	2,529	13,661,951
2016-2020	10,695,000	2,866,381	0	0	13,561,381
2021-2022	5,140,000	273,263	0	0	5,413,263
Total Principal and Interest	\$29,620,000	\$16,714,573	\$154,169	\$22,324	\$46,511,066

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

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, 2005, the swap had a negative fair value of \$1,653,276 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.

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 \$836,500 to Bank One with neither party having any further liability with respect to the swap agreement.

Note 16 – Interfund Transfers

A transfer of \$273,682 was made from the general fund into the building capitals project fund to pay down the energy conservation note issued in fiscal year 2005. A transfer of \$12,000 was made from the general fund into the other grants special revenue fund for support of various grants.

Note 17 – Interfund Balances

On the fund financial statements the general fund reported an interfund receivable at June 30, 2005 of \$105,000. The uniform school supplies special revenue fund had an interfund payable of \$105,000. The loan to the special revenue fund was made to support programs and projects in this fund.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

Note 18 – Capital Lease

In prior years, the School District entered into a capitalized lease obligation for a new phone system installed throughout the School District and constructed a transportation and maintenance center. 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 have been capitalized in the amount of \$2,369,946, the present value of the minimum lease payment at the inception of the leases. The book value of the assets as of June 30, 2005 was \$2,068,572.

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, 2005.

	<u>Amounts</u>
2006	\$401,301
2007	401,301
2008	401,301
2009	367,176
2010	298,925
2011	249,104
Total Minimum Lease Payments	<u>2,119,108</u>
Less: Amount representing interest	<u>218,222</u>
Present Value of Minimum Lease Payments	<u><u>\$1,900,886</u></u>

Note 19 – Notes Payable

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

	<u>Principal Outstanding 6/30/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/05</u>
General Fund				
2001 3.75%				
Tax Anticipation Notes	\$865,000	\$0	\$865,000	\$0
2004 1.77%				
Energy Conservation Note	773,000	0	773,000	0
2005 2.75%				
Energy Conservation Note	<u>0</u>	<u>513,000</u>	<u>0</u>	<u>513,000</u>
Total Notes	<u><u>\$1,638,000</u></u>	<u><u>\$513,000</u></u>	<u><u>\$1,638,000</u></u>	<u><u>\$513,000</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.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

The tax anticipation notes were used to pay operating expenditures of the School District until the tax levy collections began. The tax anticipation notes were paid from the general fund with property taxes revenue.

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 \$64,880 to LNOCA during fiscal year 2005. 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 2005. 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 2005, the School District paid \$7,289 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, 2005*

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, 2005*

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, 2005.

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, 2004	\$0	(\$33,091)
Current Year Set-aside Requirement	670,038	670,038
Qualifying Disbursements	<u>(2,325,339)</u>	<u>(713,503)</u>
Totals	<u>(\$1,655,301)</u>	<u>(\$76,556)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>	<u>(\$76,556)</u>
Set-aside Reserve Balance as of June 30, 2005	<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.

**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

Reading 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.

Title II-A Fund – This fund accounts for Federal monies used for professional development of teachers.

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 projects 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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$765,204	\$1,279,777	\$2,044,981
Receivables:			
Taxes	0	1,610,933	1,610,933
Accounts	7,942	0	7,942
Intergovernmental	29,997	0	29,997
Inventory Held for Resale	39,939	0	39,939
Materials and Supplies Inventory	6,312	0	6,312
<i>Total Assets</i>	<u>\$849,394</u>	<u>\$2,890,710</u>	<u>\$3,740,104</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$4,879	\$40,875	\$45,754
Accrued Wages and Benefits	76,100	0	76,100
Interfund Payable	105,000	0	105,000
Intergovernmental Payable	88,084	0	88,084
Deferred Revenue	0	1,398,126	1,398,126
Accrued Interest Payable	0	1,314	1,314
Notes Payable	0	513,000	513,000
<i>Total Liabilities</i>	<u>274,063</u>	<u>1,953,315</u>	<u>2,227,378</u>
Fund Balances			
Reserved for Encumbrances	69,928	254,402	324,330
Reserved for Property Taxes	0	209,157	209,157
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	505,403	0	505,403
Capital Projects Funds	0	473,836	473,836
<i>Total Fund Balances</i>	<u>575,331</u>	<u>937,395</u>	<u>1,512,726</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$849,394</u>	<u>\$2,890,710</u>	<u>\$3,740,104</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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$0	\$1,208,909	\$1,208,909
Intergovernmental	1,778,363	177,329	1,955,692
Interest	3,183	0	3,183
Tuition and Fees	390,978	0	390,978
Extracurricular Activities	253,287	0	253,287
Charges for Services	1,467,829	0	1,467,829
Contributions and Donations	146,092	0	146,092
<i>Total Revenues</i>	<u>4,039,732</u>	<u>1,386,238</u>	<u>5,425,970</u>
Expenditures			
Current:			
Instruction:			
Regular	565,635	0	565,635
Special	528,488	0	528,488
Adult/Continuing	30,824	0	30,824
Support Services:			
Pupil	71,394	0	71,394
Instructional Staff	333,199	0	333,199
Administration	52,566	0	52,566
Fiscal	254	0	254
Operation and Maintenance of Plant	5,345	0	5,345
Pupil Transportation	29,037	0	29,037
Central	4,477	0	4,477
Operation of Non-Instructional Services	477,231	0	477,231
Food Service Operations	1,348,628	0	1,348,628
Child Care Operations	374,298	0	374,298
Extracurricular Activities	235,103	0	235,103
Capital Outlay	0	1,454,770	1,454,770
Debt Service:			
Principal Retirement	0	233,573	233,573
Interest and Fiscal Charges	0	79,074	79,074
<i>Total Expenditures</i>	<u>4,056,479</u>	<u>1,767,417</u>	<u>5,823,896</u>
<i>Excess of Revenues Under Expenditures</i>	(16,747)	(381,179)	(397,926)
Other Financing Sources			
Transfers In	12,000	273,682	285,682
<i>Net Change in Fund Balances</i>	(4,747)	(107,497)	(112,244)
<i>Fund Balances Beginning of Year</i>	<u>580,078</u>	<u>1,044,892</u>	<u>1,624,970</u>
<i>Fund Balances End of Year</i>	<u><u>\$575,331</u></u>	<u><u>\$937,395</u></u>	<u><u>\$1,512,726</u></u>

Brecksville-Broadview Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	Food Service	Scholarship	Uniform School Supplies
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$68,312	\$75,561	\$183,333
Receivables:			
Accounts	1,726	0	307
Intergovernmental	19,219	0	0
Inventory Held for Resale	39,939	0	0
Materials and Supplies Inventory	6,312	0	0
<i>Total Assets</i>	<u>\$135,508</u>	<u>\$75,561</u>	<u>\$183,640</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$2,553	\$0	\$0
Accrued Wages and Benefits	63,293	0	0
Interfund Payable	0	0	105,000
Intergovernmental Payable	54,704	0	0
<i>Total Liabilities</i>	<u>120,550</u>	<u>0</u>	<u>105,000</u>
 Fund Balances			
Reserved for Encumbrances	1,658	0	1,951
Unreserved, Undesignated	13,300	75,561	76,689
<i>Total Fund Balances</i>	<u>14,958</u>	<u>75,561</u>	<u>78,640</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$135,508</u>	<u>\$75,561</u>	<u>\$183,640</u>

Public School Support	Other Grants	Child Care	Athletics	Auxiliary Services
\$71,527	\$62,659	\$93,189	\$94,606	\$35,634
0	0	5,909	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$71,527</u>	<u>\$62,659</u>	<u>\$99,098</u>	<u>\$94,606</u>	<u>\$35,634</u>
\$0	\$0	\$1,269	\$0	\$0
0	0	12,807	0	0
0	0	0	0	0
0	0	33,380	0	0
<u>0</u>	<u>0</u>	<u>47,456</u>	<u>0</u>	<u>0</u>
2,406	1,458	2,209	14,468	34,580
<u>69,121</u>	<u>61,201</u>	<u>49,433</u>	<u>80,138</u>	<u>1,054</u>
<u>71,527</u>	<u>62,659</u>	<u>51,642</u>	<u>94,606</u>	<u>35,634</u>
<u>\$71,527</u>	<u>\$62,659</u>	<u>\$99,098</u>	<u>\$94,606</u>	<u>\$35,634</u>

(continued)

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds (continued)

June 30, 2005

	<u>Teacher Development</u>	<u>Educational Management Information Systems</u>	<u>One Net</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$9,577	\$5,319	\$3,035
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>\$5,319</u></u>	<u><u>\$3,035</u></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	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
 Fund Balances			
Reserved for Encumbrances	0	0	150
Unreserved, Undesignated	<u>9,577</u>	<u>5,319</u>	<u>2,885</u>
<i>Total Fund Balances</i>	<u><u>9,577</u></u>	<u><u>5,319</u></u>	<u><u>3,035</u></u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$9,577</u></u>	<u><u>\$5,319</u></u>	<u><u>\$3,035</u></u>

<u>SchoolNet Professional Development</u>	<u>Ohio Reads Classroom Grant</u>	<u>Reading Intervention</u>	<u>Title VI-B</u>	<u>Title III</u>
\$3,280	\$2,352	\$2,822	\$17,130	\$4,969
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$3,280</u>	<u>\$2,352</u>	<u>\$2,822</u>	<u>\$17,130</u>	<u>\$4,969</u>
\$0	\$0	\$0	\$1,057	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	1,057	0
0	35	0	2,326	1,915
<u>3,280</u>	<u>2,317</u>	<u>2,822</u>	<u>13,747</u>	<u>3,054</u>
<u>3,280</u>	<u>2,352</u>	<u>2,822</u>	<u>16,073</u>	<u>4,969</u>
<u>\$3,280</u>	<u>\$2,352</u>	<u>\$2,822</u>	<u>\$17,130</u>	<u>\$4,969</u>

(continued)

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds (continued)

June 30, 2005

	<u>Title I</u>	<u>Title V</u>	<u>Drug Free Schools</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,805	\$7,311	\$1,698
Receivables:			
Accounts	0	0	0
Intergovernmental	903	7,403	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>\$7,708</u></u>	<u><u>\$14,714</u></u>	<u><u>\$1,698</u></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	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
 Fund Balances			
Reserved for Encumbrances	0	100	0
Unreserved, Undesignated	<u>7,708</u>	<u>14,614</u>	<u>1,698</u>
<i>Total Fund Balances</i>	<u>7,708</u>	<u>14,714</u>	<u>1,698</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$7,708</u></u>	<u><u>\$14,714</u></u>	<u><u>\$1,698</u></u>

<u>Pre-School</u>	<u>Title II-A</u>	<u>Title II-D</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1	\$13,101	\$2,983	\$765,204
0	0	0	7,942
2,448	0	24	29,997
0	0	0	39,939
<u>0</u>	<u>0</u>	<u>0</u>	<u>6,312</u>
<u>\$2,449</u>	<u>\$13,101</u>	<u>\$3,007</u>	<u>\$849,394</u>
\$0	\$0	\$0	\$4,879
0	0	0	76,100
0	0	0	105,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>88,084</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>274,063</u>
0	6,672	0	69,928
<u>2,449</u>	<u>6,429</u>	<u>3,007</u>	<u>505,403</u>
<u>2,449</u>	<u>13,101</u>	<u>3,007</u>	<u>575,331</u>
<u>\$2,449</u>	<u>\$13,101</u>	<u>\$3,007</u>	<u>\$849,394</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, 2005

	Food Service	Scholarship	Uniform School Supplies
Revenues			
Intergovernmental	\$206,421	\$0	\$0
Interest	0	480	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Charges for Services	1,138,749	6,640	224,483
Contributions and Donations	0	61,981	0
<i>Total Revenues</i>	<u>1,345,170</u>	<u>69,101</u>	<u>224,483</u>
Expenditures			
Current:			
Instruction:			
Regular	0	5,985	198,453
Special	0	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	0	0
Administration	0	421	0
Fiscal	0	254	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	56,615	0
Food Service Operations	1,348,628	0	0
Child Care Operations	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>1,348,628</u>	<u>63,275</u>	<u>198,453</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,458)	5,826	26,030
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	(3,458)	5,826	26,030
<i>Fund Balances Beginning of Year</i>	<u>18,416</u>	<u>69,735</u>	<u>52,610</u>
<i>Fund Balances End of Year</i>	<u>\$14,958</u>	<u>\$75,561</u>	<u>\$78,640</u>

Public School Support	Other Grants	Child Care	Athletics	Auxiliary Services	Teacher Development
\$0	\$0	\$0	\$0	\$335,834	\$0
0	0	0	0	2,703	0
0	0	390,978	0	0	0
0	0	0	253,287	0	0
97,957	0	0	0	0	0
6,963	55,099	20,279	1,770	0	0
<u>104,920</u>	<u>55,099</u>	<u>411,257</u>	<u>255,057</u>	<u>338,537</u>	<u>0</u>
121,715	8,434	0	0	0	0
0	0	0	0	0	0
0	30,824	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	0	0	0	0
0	11,903	0	0	386,673	0
0	0	0	0	0	0
0	0	374,298	0	0	0
0	0	0	235,103	0	0
<u>121,715</u>	<u>51,161</u>	<u>374,298</u>	<u>235,103</u>	<u>386,673</u>	<u>0</u>
(16,795)	3,938	36,959	19,954	(48,136)	0
<u>0</u>	<u>12,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(16,795)	15,938	36,959	19,954	(48,136)	0
<u>88,322</u>	<u>46,721</u>	<u>14,683</u>	<u>74,652</u>	<u>83,770</u>	<u>9,577</u>
<u>\$71,527</u>	<u>\$62,659</u>	<u>\$51,642</u>	<u>\$94,606</u>	<u>\$35,634</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, 2005

	Educational Management Information Systems	One Net	SchoolNet Professional Development
Revenues			
Intergovernmental	\$14,857	\$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
<i>Total Revenues</i>	<u>14,857</u>	<u>18,000</u>	<u>4,140</u>
Expenditures			
Current:			
Instruction:			
Regular	0	14,965	0
Special	0	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupil	30,007	0	0
Instructional Staff	0	0	2,750
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	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>30,007</u>	<u>14,965</u>	<u>2,750</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,150)	3,035	1,390
Other Financing Sources			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(15,150)	3,035	1,390
<i>Fund Balances Beginning of Year</i>	<u>20,469</u>	<u>0</u>	<u>1,890</u>
<i>Fund Balances End of Year</i>	<u><u>\$5,319</u></u>	<u><u>\$3,035</u></u>	<u><u>\$3,280</u></u>

Ohio Reads Classroom Grant	Reading Intervention	Entry Level Teachers	Safe School Help Line	Title VI-B	Title III
\$28,401	\$77,890	\$6,600	\$4,477	\$782,120	\$17,942
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>28,401</u>	<u>77,890</u>	<u>6,600</u>	<u>4,477</u>	<u>782,120</u>	<u>17,942</u>
27,121	85,129	0	0	0	18,668
0	0	0	0	394,624	0
0	0	0	0	0	0
4,311	0	0	0	0	0
0	0	6,600	0	308,036	0
2,700	0	0	0	48,445	0
0	0	0	0	0	0
0	0	0	0	5,345	0
0	0	0	0	29,037	0
0	0	0	4,477	0	0
0	0	0	0	18,886	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>34,132</u>	<u>85,129</u>	<u>6,600</u>	<u>4,477</u>	<u>804,373</u>	<u>18,668</u>
(5,731)	(7,239)	0	0	(22,253)	(726)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(5,731)	(7,239)	0	0	(22,253)	(726)
<u>8,083</u>	<u>10,061</u>	<u>0</u>	<u>0</u>	<u>38,326</u>	<u>5,695</u>
<u>\$2,352</u>	<u>\$2,822</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,073</u>	<u>\$4,969</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, 2005

	Title I	Title V	Drug Free Schools
Revenues			
Intergovernmental	\$138,985	\$20,691	\$13,458
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
<i>Total Revenues</i>	<u>138,985</u>	<u>20,691</u>	<u>13,458</u>
Expenditures			
Current:			
Instruction:			
Regular	0	10,002	0
Special	133,190	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	2,952	0	12,778
Administration	1,000	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	1,612	979
Food Service Operations	0	0	0
Child Care Operations	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>137,142</u>	<u>11,614</u>	<u>13,757</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,843	9,077	(299)
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	1,843	9,077	(299)
<i>Fund Balances Beginning of Year</i>	<u>5,865</u>	<u>5,637</u>	<u>1,997</u>
<i>Fund Balances End of Year</i>	<u><u>\$7,708</u></u>	<u><u>\$14,714</u></u>	<u><u>\$1,698</u></u>

Pre-School	Title II-A	Title II-D	Total Nonmajor Special Revenue Funds
\$27,213	\$77,639	\$3,695	\$1,778,363
0	0	0	3,183
0	0	0	390,978
0	0	0	253,287
0	0	0	1,467,829
0	0	0	146,092
<u>27,213</u>	<u>77,639</u>	<u>3,695</u>	<u>4,039,732</u>
0	74,262	901	565,635
674	0	0	528,488
0	0	0	30,824
24,090	9,875	3,111	71,394
0	0	83	333,199
0	0	0	52,566
0	0	0	254
0	0	0	5,345
0	0	0	29,037
0	0	0	4,477
0	563	0	477,231
0	0	0	1,348,628
0	0	0	374,298
0	0	0	235,103
<u>24,764</u>	<u>84,700</u>	<u>4,095</u>	<u>4,056,479</u>
2,449	(7,061)	(400)	(16,747)
<u>0</u>	<u>0</u>	<u>0</u>	<u>12,000</u>
2,449	(7,061)	(400)	(4,747)
<u>0</u>	<u>20,162</u>	<u>3,407</u>	<u>580,078</u>
<u>\$2,449</u>	<u>\$13,101</u>	<u>\$3,007</u>	<u>\$575,331</u>

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2005

	<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	\$1,198,581	\$81,136	\$60	\$1,279,777
Taxes Receivable	1,312,008	298,925	0	1,610,933
<i>Total Assets</i>	<u>\$2,510,589</u>	<u>\$380,061</u>	<u>\$60</u>	<u>\$2,890,710</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$39,675	\$1,200	\$0	\$40,875
Deferred Revenue	1,099,201	298,925	0	1,398,126
Accrued Interest Payable	0	1,314	0	1,314
Notes Payable	0	513,000	0	513,000
<i>Total Liabilities</i>	<u>1,138,876</u>	<u>814,439</u>	<u>0</u>	<u>1,953,315</u>
Fund Balances				
Reserved for Encumbrances	177,759	76,643	0	254,402
Reserved for Property Taxes	209,157	0	0	209,157
Unreserved, Undesignated (Deficit)	984,797	(511,021)	60	473,836
<i>Total Fund Balances</i>	<u>1,371,713</u>	<u>(434,378)</u>	<u>60</u>	<u>937,395</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,510,589</u>	<u>\$380,061</u>	<u>\$60</u>	<u>\$2,890,710</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, 2005

	Permanent Improvement	Building	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Revenues				
Taxes	\$909,984	\$298,925	\$0	\$1,208,909
Intergovernmental	138,269	0	39,060	177,329
<i>Total Revenues</i>	<u>1,048,253</u>	<u>298,925</u>	<u>39,060</u>	<u>1,386,238</u>
Expenditures				
Capital Outlay	409,794	990,559	54,417	1,454,770
Debt Service:				
Principal Retirement	0	233,573	0	233,573
Interest and Fiscal Charges	0	79,074	0	79,074
<i>Total Expenditures</i>	<u>409,794</u>	<u>1,303,206</u>	<u>54,417</u>	<u>1,767,417</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	638,459	(1,004,281)	(15,357)	(381,179)
Other Financing Sources				
Transfers In	0	273,682	0	273,682
<i>Net Change in Fund Balances</i>	638,459	(730,599)	(15,357)	(107,497)
<i>Fund Balances Beginning of Year</i>	<u>733,254</u>	<u>296,221</u>	<u>15,417</u>	<u>1,044,892</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,371,713</u>	<u>(\$434,378)</u>	<u>\$60</u>	<u>\$937,395</u>

Combining Statements – Fiduciary Funds

Fiduciary Funds

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

Private Purpose Trust Fund

Unclaimed Monies Fund – This fund accounts for stale-dated payroll checks held for five years for employees.

Agency Fund

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

Brecksville-Broadview Heights City School District

Statement of Changes in Assets and Liabilities

Agency Fund

For the Fiscal Year Ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2005</u>
Student Activities Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$138,020</u>	<u>\$239,618</u>	<u>\$236,187</u>	<u>\$141,451</u>
Liabilities				
Due to Students	<u>\$138,020</u>	<u>\$239,618</u>	<u>\$236,187</u>	<u>\$141,451</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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$27,221,564	\$30,609,668	\$31,066,302	\$456,634
Intergovernmental	9,849,093	9,760,903	9,866,534	105,631
Interest	110,000	125,000	304,845	179,845
Tuition and Fees	453,000	345,947	527,364	181,417
Extracurricular Activities	100,000	100,000	92,579	(7,421)
Payment in Lieu of Taxes	18,000	18,000	0	(18,000)
Rentals	60,000	13,828	43,894	30,066
Charges for Services	356,000	355,000	312,643	(42,357)
Contributions and Donations	18,000	16,000	9,366	(6,634)
Miscellaneous	65,000	50,113	49,486	(627)
<i>Total Revenues</i>	<u>38,250,657</u>	<u>41,394,459</u>	<u>42,273,013</u>	<u>878,554</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	13,306,488	13,528,163	13,527,816	347
Fringe Benefits	4,033,503	3,808,072	3,735,154	72,918
Purchased Services	220,398	193,540	190,170	3,370
Materials and Supplies	457,192	437,483	434,549	2,934
Capital Outlay - New	33,959	52,694	51,621	1,073
Capital Outlay - Replacement	32,061	36,686	34,899	1,787
Total Regular	<u>18,083,601</u>	<u>18,056,638</u>	<u>17,974,209</u>	<u>82,429</u>
Special:				
Salaries and Wages	2,697,025	2,496,302	2,496,249	53
Fringe Benefits	724,265	697,055	696,952	103
Purchased Services	503,995	586,966	586,966	0
Materials and Supplies	13,026	18,578	18,446	132
Capital Outlay - New	8,920	1,410	1,410	0
Other	428,866	319,011	317,488	1,523
Total Special	<u>4,376,097</u>	<u>4,119,322</u>	<u>4,117,511</u>	<u>1,811</u>
Vocational:				
Salaries and Wages	205,750	218,815	218,804	11
Fringe Benefits	81,867	61,930	61,910	20
Purchased Services	0	9,994	9,959	35
Materials and Supplies	0	1,767	1,729	38
Capital Outlay - New	3,979	4,494	4,494	0
Capital Outlay - Replacement	5,708	175	175	0
Total Vocational	<u>297,304</u>	<u>297,175</u>	<u>297,071</u>	<u>104</u>
Total Instruction	<u>\$22,757,002</u>	<u>\$22,473,135</u>	<u>\$22,388,791</u>	<u>\$84,344</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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupil:				
Salaries and Wages	\$1,775,000	\$1,912,465	\$1,912,187	\$278
Fringe Benefits	537,975	542,001	541,877	124
Purchased Services	23,696	25,926	24,870	1,056
Materials and Supplies	59,811	49,798	49,579	219
Capital Outlay - New	74,000	119,100	118,953	147
Other	750	150	65	85
Total Pupil	2,471,232	2,649,440	2,647,531	1,909
Instructional Staff:				
Salaries and Wages	1,220,625	1,180,880	1,180,718	162
Fringe Benefits	425,608	426,514	426,431	83
Purchased Services	17,045	9,528	9,045	483
Materials and Supplies	88,424	95,060	94,356	704
Capital Outlay - New	800	2,661	2,654	7
Other	1,200	7,915	7,827	88
Total Instructional Staff	1,753,702	1,722,558	1,721,031	1,527
Board of Education:				
Salaries and Wages	9,600	9,360	9,360	0
Fringe Benefits	500	478	478	0
Purchased Services	19,757	15,877	14,683	1,194
Other	122,818	57,644	57,539	105
Total Board of Education	152,675	83,359	82,060	1,299
Administration:				
Salaries and Wages	2,025,000	1,909,756	1,909,651	105
Fringe Benefits	767,095	693,327	693,223	104
Purchased Services	270,061	226,730	220,616	6,114
Materials and Supplies	23,105	22,455	21,152	1,303
Capital Outlay - New	9,600	28,580	28,551	29
Other	139,970	138,756	138,561	195
Total Administration	3,234,831	3,019,604	3,011,754	7,850
Fiscal:				
Salaries and Wages	250,000	260,220	260,216	4
Fringe Benefits	94,212	91,135	91,125	10
Purchased Services	60,012	31,249	27,561	3,688
Materials and Supplies	16,226	18,226	16,969	1,257
Capital Outlay - New	3,500	8,800	8,769	31
Capital Outlay - Replacement	4,500	2,265	1,914	351
Other	757,697	484,229	483,566	663
Total Fiscal	\$1,186,147	\$896,124	\$890,120	\$6,004

(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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Business:				
Salaries and Wages	\$255,000	\$186,880	\$186,853	\$27
Fringe Benefits	91,132	72,593	72,564	29
Purchased Services	145,662	102,212	100,235	1,977
Materials and Supplies	15,362	22,682	20,654	2,028
Capital Outlay - New	1,600	1,000	972	28
Capital Outlay - Replacement	3,050	600	595	5
Other	900	900	895	5
Total Business	512,706	386,867	382,768	4,099
Operation and Maintenance of Plant:				
Salaries and Wages	1,846,500	1,710,085	1,709,988	97
Fringe Benefits	683,600	643,655	643,598	57
Purchased Services	1,876,631	1,637,191	1,628,885	8,306
Materials and Supplies	226,725	204,440	185,456	18,984
Capital Outlay - New	0	61,692	61,553	139
Capital Outlay - Replacement	46,899	36,007	36,007	0
Other	26,361	29,211	24,974	4,237
Total Operation and Maintenance of Plant	4,706,716	4,322,281	4,290,461	31,820
Pupil Transportation:				
Salaries and Wages	1,625,000	1,571,154	1,571,115	39
Fringe Benefits	515,775	506,694	506,630	64
Purchased Services	305,877	246,929	245,834	1,095
Materials and Supplies	379,752	418,037	403,575	14,462
Capital Outlay - New	0	40,620	40,604	16
Capital Outlay - Replacement	38,000	0	0	0
Other	750	0	0	0
Total Pupil Transportation	2,865,154	2,783,434	2,767,758	15,676
Central:				
Salaries and Wages	55,000	50,065	50,060	5
Fringe Benefits	22,771	19,527	19,520	7
Purchased Services	112,664	97,464	95,146	2,318
Materials and Supplies	10,480	6,280	6,279	1
Capital Outlay - New	1,480	1,600	1,480	120
Other	600	650	635	15
Total Central	202,995	175,586	173,120	2,466
Total Support Services	17,086,158	16,039,253	15,966,603	72,650
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	97,110	92,395	92,360	35
Fringe Benefits	12,325	21,302	21,260	42
Purchased Services	2,000	1,460	1,453	7
Total Academic and Subject Oriented Activities	\$111,435	\$115,157	\$115,073	\$84

(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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Sports Oriented Activities:				
Salaries and Wages	\$486,750	\$478,941	\$478,883	\$58
Fringe Benefits	83,538	82,833	82,789	44
Purchased Services	32,500	29,740	29,735	5
Other	750	0	0	0
Total Sports Oriented Activities	603,538	591,514	591,407	107
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	26,100	17,935	17,911	24
Fringe Benefits	3,575	2,275	2,257	18
Total School and Public Service Co-Curricular Activities	29,675	20,210	20,168	42
Total Extracurricular Activities	744,648	726,881	726,648	233
Debt Service:				
Principal Retirement	19,148	19,148	19,148	0
Interest and Fiscal Charges	6,066	6,066	6,066	0
Total Debt Service	25,214	25,214	25,214	0
Total Expenditures	40,613,022	39,264,483	39,107,256	157,227
Excess of Revenues Over (Under) Expenditures	(2,362,365)	2,129,976	3,165,757	1,035,781
Other Financing Sources (Uses)				
Sale of Capital Assets	0	2,284	2,284	0
Advances In	53,000	3,000	75,000	72,000
Advances Out	(54,000)	(130,000)	(130,000)	0
Transfers In	54,784	57,784	0	(57,784)
Transfers Out	(425,000)	(285,682)	(285,682)	0
Total Other Financing Sources (Uses)	(371,216)	(352,614)	(338,398)	14,216
Net Change in Fund Balance	(2,733,581)	1,777,362	2,827,359	1,049,997
Fund Balance Beginning of Year	2,276,893	2,276,893	2,276,893	0
Prior Year Encumbrances Appropriated	637,572	637,572	637,572	0
Fund Balance End of Year	\$180,884	\$4,691,827	\$5,741,824	\$1,049,997

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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$3,958,606	\$4,037,147	\$3,164,381	(\$872,766)
Intergovernmental	340,079	400,474	384,562	(15,912)
Miscellaneous	0	16	16	0
<i>Total Revenues</i>	<u>4,298,685</u>	<u>4,437,637</u>	<u>3,548,959</u>	<u>(888,678)</u>
Expenditures				
Debt Service:				
Principal Retirement	2,673,000	2,673,000	2,673,000	0
Interest and Fiscal Charges	1,821,532	1,824,867	1,824,867	0
<i>Total Expenditures</i>	<u>4,494,532</u>	<u>4,497,867</u>	<u>4,497,867</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(195,847)</u>	<u>(60,230)</u>	<u>(948,908)</u>	<u>(888,678)</u>
Other Financing Sources				
General Obligation Notes Issued	500,000	513,000	513,000	0
Transfers In	286,685	273,682	273,682	0
<i>Total Other Financing Sources</i>	<u>786,685</u>	<u>786,682</u>	<u>786,682</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	590,838	726,452	(162,226)	(888,678)
<i>Fund Balance Beginning of Year</i>	<u>3,656,299</u>	<u>3,656,299</u>	<u>3,656,299</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,247,137</u>	<u>\$4,382,751</u>	<u>\$3,494,073</u>	<u>(\$888,678)</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$134,000	\$134,000	\$133,867	(\$133)
Charges for Services	1,140,000	1,140,000	1,138,574	(1,426)
<i>Total Revenues</i>	<u>1,274,000</u>	<u>1,274,000</u>	<u>1,272,441</u>	<u>(1,559)</u>
Expenditures				
Current:				
Food Service Operations:				
Salaries and Wages	508,214	541,846	541,742	104
Fringe Benefits	215,054	206,730	206,623	107
Purchased Services	9,000	7,230	7,021	209
Materials and Supplies	435,646	457,828	454,722	3,106
Capital Outlay - New	2,000	8,300	8,297	3
Other	1,600	2,344	2,336	8
<i>Total Expenditures</i>	<u>1,171,514</u>	<u>1,224,278</u>	<u>1,220,741</u>	<u>3,537</u>
<i>Excess of Revenues Over Expenditures</i>	102,486	49,722	51,700	1,978
Other Financing Uses				
Advances Out	(50,000)	(50,000)	(50,000)	0
<i>Net Change in Fund Balance</i>	52,486	(278)	1,700	1,978
<i>Fund Balance Beginning of Year</i>	58,055	58,055	58,055	0
Prior Year Encumbrances Appropriated	4,346	4,346	4,346	0
<i>Fund Balance End of Year</i>	<u>\$114,887</u>	<u>\$62,123</u>	<u>\$64,101</u>	<u>\$1,978</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$100	\$100	\$480	\$380
Charges for Services	4,500	4,500	6,640	2,140
Contributions and Donations	3,414	3,415	61,981	58,566
<i>Total Revenues</i>	<u>8,014</u>	<u>8,015</u>	<u>69,101</u>	<u>61,086</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	2,499	500	75	425
Other	4,550	6,550	5,910	640
Total Instruction	<u>7,049</u>	<u>7,050</u>	<u>5,985</u>	<u>1,065</u>
Support Services:				
Administration:				
Materials and Supplies	500	655	421	234
Fiscal:				
Materials and Supplies	200	300	254	46
Total Support Services	<u>700</u>	<u>955</u>	<u>675</u>	<u>280</u>
Operation of Non-Instructional Services:				
Community Services:				
Other	70,000	57,745	56,615	1,130
<i>Total Expenditures</i>	<u>77,749</u>	<u>65,750</u>	<u>63,275</u>	<u>2,475</u>
<i>Net Change in Fund Balance</i>	(69,735)	(57,735)	5,826	63,561
<i>Fund Balance Beginning of Year</i>	69,685	69,685	69,685	0
Prior Year Encumbrances Appropriated	<u>50</u>	<u>50</u>	<u>50</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$12,000</u></u>	<u><u>\$75,561</u></u>	<u><u>\$63,561</u></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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$336,200	\$206,200	\$224,549	\$18,349
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	238,972	206,392	202,525	3,867
<i>Excess of Revenues Over (Under) Expenditures</i>	97,228	(192)	22,024	22,216
Other Financing Sources (Uses)				
Advances In	0	130,000	130,000	0
Advances Out	0	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	105,000	105,000	0
<i>Net Change in Fund Balance</i>	97,228	104,808	127,024	22,216
<i>Fund Balance Beginning of Year</i>	52,386	52,386	52,386	0
Prior Year Encumbrances Appropriated	1,972	1,972	1,972	0
<i>Fund Balance End of Year</i>	<u>\$151,586</u>	<u>\$159,166</u>	<u>\$181,382</u>	<u>\$22,216</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$140,500	\$140,500	\$97,957	(\$42,543)
Contributions and Donations	40,000	40,000	6,963	(33,037)
<i>Total Revenues</i>	<u>180,500</u>	<u>180,500</u>	<u>104,920</u>	<u>(75,580)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	5,500	2,500	2,050	450
Materials and Supplies	13,031	8,624	8,624	0
Capital Outlay - New	31,500	21,382	21,280	102
Other	144,710	97,527	92,167	5,360
<i>Total Expenditures</i>	<u>194,741</u>	<u>130,033</u>	<u>124,121</u>	<u>5,912</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(14,241)	50,467	(19,201)	(69,668)
Other Financing Uses				
Transfers Out	(300)	0	0	0
<i>Net Change in Fund Balance</i>	(14,541)	50,467	(19,201)	(69,668)
<i>Fund Balance Beginning of Year</i>	87,131	87,131	87,131	0
Prior Year Encumbrances Appropriated	1,191	1,191	1,191	0
<i>Fund Balance End of Year</i>	<u>\$73,781</u>	<u>\$138,789</u>	<u>\$69,121</u>	<u>(\$69,668)</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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Contributions and Donations	\$83,000	\$82,992	\$55,099	(\$27,893)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	150	1,292	1,269	23
Fringe Benefits	0	238	196	42
Purchased Services	777	335	70	265
Materials and Supplies	788	420	395	25
Capital Outlay - New	3,950	6,506	6,504	2
Other	173	0	0	0
Total Regular	5,838	8,791	8,434	357
Adult/Continuing:				
Salaries and Wages	0	18,822	18,790	32
Fringe Benefits	0	2,141	2,141	0
Purchased Services	0	400	0	400
Materials and Supplies	3,016	6,216	6,172	44
Capital Outlay - New	1,044	5,394	4,702	692
Other	0	350	317	33
Total Adult/Continuing	4,060	33,323	32,122	1,201
Total Instruction	9,898	42,114	40,556	1,558
Support Services:				
Instructional Staff:				
Salaries and Wages	1,000	0	0	0
Purchased Services	8	0	0	0
Materials and Supplies	549	0	0	0
Total Instructional Staff	1,557	0	0	0
Business:				
Purchased Services	16,800	0	0	0
Total Support Services	\$18,357	\$0	\$0	\$0

(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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$300	\$800	\$800	\$0
Fringe Benefits	337	990	971	19
Purchased Services	91,060	10,600	10,533	67
Materials and Supplies	2,874	3,497	3,269	228
Capital Outlay - Replacement	1,550	525	513	12
Other	5,108	0	0	0
Total Operation of Non-Instructional Services:	101,229	16,412	16,086	326
<i>Total Expenditures</i>	129,484	58,526	56,642	1,884
<i>Excess of Revenues Over (Under) Expenditures</i>	(46,484)	24,466	(1,543)	(26,009)
Other Financing Sources				
Transfers In	12,000	12,000	12,000	0
<i>Net Change in Fund Balance</i>	(34,484)	36,466	10,457	(26,009)
<i>Fund Balance Beginning of Year</i>	45,760	45,760	45,760	0
Prior Year Encumbrances Appropriated	4,984	4,984	4,984	0
<i>Fund Balance End of Year</i>	\$16,260	\$87,210	\$61,201	(\$26,009)

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$451,971	\$454,721	\$385,069	(\$69,652)
Contributions and Donations	26,250	23,500	20,279	(3,221)
<i>Total Revenues</i>	478,221	478,221	405,348	(72,873)
Expenditures				
Current:				
Support Services:				
Pupil:				
Purchased Services	115,718	0	0	0
Child Care Operations				
Salaries and Wages	226,791	232,671	229,783	2,888
Fringe Benefits	59,998	61,709	60,574	1,135
Purchased Services	66,201	53,783	52,548	1,235
Materials and Supplies	11,998	11,448	9,579	1,869
Capital Outlay - New	400	195	192	3
Other	750	1,950	1,775	175
<i>Total Child Care Operations</i>	366,138	361,756	354,451	7,305
<i>Total Expenditures</i>	481,856	361,756	354,451	7,305
<i>Net Change in Fund Balance</i>	(3,635)	116,465	50,897	(65,568)
<i>Fund Balance Beginning of Year</i>	33,183	33,183	33,183	0
Prior Year Encumbrances Appropriated	6,856	6,856	6,856	0
<i>Fund Balance End of Year</i>	\$36,404	\$156,504	\$90,936	(65,568)

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$303,700	\$298,700	\$253,287	(\$45,413)
Contributions and Donations	20,000	20,000	1,770	(18,230)
<i>Total Revenues</i>	<u>323,700</u>	<u>318,700</u>	<u>255,057</u>	<u>(63,643)</u>
Expenditures				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Purchased Services	83,660	63,506	61,501	2,005
Materials and Supplies	27,380	14,301	12,365	1,936
Capital Outlay - New	110,675	74,551	71,574	2,977
Other	108,508	108,025	104,131	3,894
<i>Total Expenditures</i>	<u>330,223</u>	<u>260,383</u>	<u>249,571</u>	<u>10,812</u>
<i>Net Change in Fund Balance</i>	(6,523)	58,317	5,486	(52,831)
<i>Fund Balance Beginning of Year</i>	68,128	68,128	68,128	0
Prior Year Encumbrances Appropriated	6,524	6,524	6,524	0
<i>Fund Balance End of Year</i>	<u>\$68,129</u>	<u>\$132,969</u>	<u>\$80,138</u>	<u>(\$52,831)</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$301,478	\$335,484	\$335,834	\$350
Interest	350	350	2,703	2,353
<i>Total Revenues</i>	<u>301,828</u>	<u>335,834</u>	<u>338,537</u>	<u>2,703</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Other Operation of Non-Instructional Services:				
Purchased Services	63,813	203,702	203,702	0
Materials and Supplies	70,565	181,804	181,316	488
Capital Outlay - New	251,901	37,735	37,170	565
<i>Total Expenditures</i>	<u>386,279</u>	<u>423,241</u>	<u>422,188</u>	<u>1,053</u>
<i>Net Change in Fund Balance</i>	(84,451)	(87,407)	(83,651)	3,756
<i>Fund Balance Beginning of Year</i>	58,130	58,130	58,130	0
Prior Year Encumbrances Appropriated	26,574	26,574	26,574	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$253</u>	<u>(\$2,703)</u>	<u>\$1,053</u>	<u>\$3,756</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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	6,451	0	0	0
Materials and Supplies	2,943	0	0	0
Capital Outlay - New	183	0	0	0
<i>Total Expenditures</i>	9,577	0	0	0
<i>Net Change in Fund Balance</i>	(9,577)	0	0	0
<i>Fund Balance Beginning of Year</i>	9,577	9,577	9,577	0
<i>Fund Balance End of Year</i>	\$0	\$9,577	\$9,577	\$0

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$17,000	\$17,000	\$14,857	(\$2,143)
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	10,193	8,693	8,693	0
Purchased Services	2,500	4,200	2,489	1,711
Materials and Supplies	10,643	11,443	10,359	1,084
Capital Outlay - New	11,033	10,033	8,866	1,167
<i>Total Expenditures</i>	<u>34,369</u>	<u>34,369</u>	<u>30,407</u>	<u>3,962</u>
<i>Net Change in Fund Balance</i>	(17,369)	(17,369)	(15,550)	1,819
<i>Fund Balance Beginning of Year</i>	19,396	19,396	19,396	0
Prior Year Encumbrances Appropriated	1,473	1,473	1,473	0
<i>Fund Balance End of Year</i>	<u>\$3,500</u>	<u>\$3,500</u>	<u>\$5,319</u>	<u>\$1,819</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$18,000	\$18,000	\$18,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	15,000	15,000	14,965	35
<i>Net Change in Fund Balance</i>	3,000	3,000	3,035	35
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,035</u>	<u>\$35</u>

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$4,140</u>	<u>\$4,140</u>	<u>\$4,140</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	0	100	0	100
Purchased Services	<u>6,030</u>	<u>5,930</u>	<u>2,900</u>	<u>3,030</u>
<i>Total Expenditures</i>	<u>6,030</u>	<u>6,030</u>	<u>2,900</u>	<u>3,130</u>
<i>Net Change in Fund Balance</i>	(1,890)	(1,890)	1,240	3,130
<i>Fund Balance Beginning of Year</i>	<u>1,890</u>	<u>1,890</u>	<u>1,890</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,130</u></u>	<u><u>\$3,130</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$29,000	\$29,000	\$28,401	(\$599)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	19,062	14,445	13,695	750
Materials and Supplies	10,173	15,040	13,461	1,579
Total Instruction	29,235	29,485	27,156	2,329
Support Services:				
Pupil:				
Salaries and Wages	2,000	2,000	2,000	0
Purchased Services	3,048	2,798	2,311	487
Materials and Supplies	100	100	0	100
Total Pupil	5,148	4,898	4,311	587
Administration:				
Salaries and Wages	2,700	2,700	2,700	0
Total Support Services	7,848	7,598	7,011	587
<i>Total Expenditures</i>	37,083	37,083	34,167	2,916
<i>Net Change in Fund Balance</i>	(8,083)	(8,083)	(5,766)	2,317
<i>Fund Balance Beginning of Year</i>	5,375	5,375	5,375	0
Prior Year Encumbrances Appropriated	2,708	2,708	2,708	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$2,317	\$2,317

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Reading Intervention Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$79,271	\$79,271	\$77,890	(\$1,381)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	60,016	60,016	60,015	1
Fringe Benefits	22,415	22,415	18,553	3,862
Materials and Supplies	6,644	6,644	6,561	83
Capital Outlay - New	257	257	0	257
<i>Total Expenditures</i>	89,332	89,332	85,129	4,203
<i>Net Change in Fund Balance</i>	(10,061)	(10,061)	(7,239)	2,822
<i>Fund Balance Beginning of Year</i>	3,417	3,417	3,417	0
<i>Prior Year Encumbrances Appropriated</i>	6,644	6,644	6,644	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$2,822	\$2,822

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$6,600	\$6,600	\$6,600	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	<u>6,600</u>	<u>6,600</u>	<u>6,600</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$4,477	\$4,477	\$4,477	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	<u>4,477</u>	<u>4,477</u>	<u>4,477</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</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
Title VI-B Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$782,120	\$782,120	\$782,120	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	33,000	33,000	33,000	0
Fringe Benefits	3,220	3,220	3,220	0
Purchased Services	275,400	269,900	269,266	634
Materials and Supplies	40,663	40,663	40,309	354
Capital Outlay - New	49,525	49,526	47,867	1,659
Capital Outlay - Replacement	2,701	2,701	701	2,000
Total Instruction	404,509	399,010	394,363	4,647
Support Services:				
Instructional Staff:				
Salaries and Wages	124,382	124,382	124,382	0
Fringe Benefits	24,794	24,794	24,794	0
Purchased Services	145,876	145,875	144,462	1,413
Materials and Supplies	15,001	15,001	14,906	95
Capital Outlay - New	2,145	2,145	1,915	230
Other	2,001	2,001	514	1,487
Total Instructional Staff	314,199	314,198	310,973	3,225
Administration:				
Salaries and Wages	30,200	30,200	30,200	0
Fringe Benefits	17,000	17,000	17,000	0
Materials and Supplies	5,000	5,000	1,245	3,755
Total Administration	52,200	52,200	48,445	3,755
Operation and Maintenance of Plant:				
Capital Outlay - New	0	6,000	5,345	655
Pupil Transportation:				
Purchased Services	30,000	30,000	29,037	963
Total Support Services	\$396,399	\$402,398	\$393,800	\$8,598

(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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$12,217	\$12,217	\$12,217	\$0
Fringe Benefits	7,116	6,616	6,616	0
Materials and Supplies	555	555	53	502
Total Operation of Non-Instructional Services	19,888	19,388	18,886	502
<i>Total Expenditures</i>	820,796	820,796	807,049	13,747
<i>Net Change in Fund Balance</i>	(38,676)	(38,676)	(24,929)	13,747
<i>Fund Balance Beginning of Year</i>	12,017	12,017	12,017	0
<i>Prior Year Encumbrances Appropriated</i>	26,659	26,659	26,659	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$13,747	\$13,747

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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$17,942	\$17,942	\$18,329	\$387
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	11,031	11,031	11,031	0
Fringe Benefits	1,607	1,607	1,607	0
Purchased Services	4,108	4,308	4,197	111
Materials and Supplies	4,766	4,566	3,748	818
Capital Outlay - New	1,738	1,738	0	1,738
<i>Total Expenditures</i>	<u>23,250</u>	<u>23,250</u>	<u>20,583</u>	<u>2,667</u>
<i>Net Change in Fund Balance</i>	(5,308)	(5,308)	(2,254)	3,054
<i>Fund Balance Beginning of Year</i>	2,832	2,832	2,832	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,476</u>	<u>2,476</u>	<u>2,476</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$3,054</u>	<u>\$3,054</u>

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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$138,957	\$138,985	\$138,082	(\$903)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	116,212	117,115	117,115	0
Fringe Benefits	13,744	12,869	12,869	0
Purchased Services	1,379	1,379	1,379	0
Materials and Supplies	4,877	4,877	1,715	3,162
Capital Outlay - New	877	877	112	765
Total Instruction	137,089	137,117	133,190	3,927
Support Services:				
Instructional Staff:				
Purchased Services	4,533	5,533	2,205	3,328
Materials and Supplies	1,000	1,000	747	253
Capital Outlay - New	1,000	0	0	0
Total Instructional Staff	6,533	6,533	2,952	3,581
Administration:				
Salaries and Wages	1,000	1,000	1,000	0
Total Support Services	7,533	7,533	3,952	3,581
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	200	200	0	200
Total Expenditures	144,822	144,850	137,142	7,708
Net Change in Fund Balance	(5,865)	(5,865)	940	6,805
Fund Balance Beginning of Year	4,176	4,176	4,176	0
Prior Year Encumbrances Appropriated	1,689	1,689	1,689	0
Fund Balance End of Year	\$0	\$0	\$6,805	\$6,805

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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$20,691	\$20,691	\$13,288	(\$7,403)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,000	8,000	8,000	0
Materials and Supplies	10,591	2,005	2,002	3
Total Instruction	18,591	10,005	10,002	3
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,974	0	0	0
Materials and Supplies	4,763	2,100	1,712	388
Total Operation of Non-Instructional Services:	7,737	2,100	1,712	388
<i>Total Expenditures</i>	26,328	12,105	11,714	391
<i>Net Change in Fund Balance</i>	(5,637)	8,586	1,574	(7,012)
<i>Fund Balance Beginning of Year</i>	5,637	5,637	5,637	0
<i>Fund Balance End of Year</i>	\$0	\$14,223	\$7,211	(\$7,012)

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$13,458	\$13,458	\$13,458	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	46	46	0	46
Support Services:				
Instructional Staff:				
Purchased Services	12,778	12,778	12,778	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,329	1,329	0	1,329
Materials and Supplies	1,302	1,302	979	323
Total Operation of Non-Instructional Services:	2,631	2,631	979	1,652
<i>Total Expenditures</i>	15,455	15,455	13,757	1,698
<i>Net Change in Fund Balance</i>	(1,997)	(1,997)	(299)	1,698
<i>Fund Balance Beginning of Year</i>	1,997	1,997	1,997	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$1,698	\$1,698

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$24,376	\$27,214	\$24,765	(\$2,449)
Expenditures				
Current:				
Instruction:				
Special:				
Capital Outlay - New	0	675	674	1
Support Services:				
Pupil:				
Salaries and Wages	19,000	21,163	21,163	0
Fringe Benefits	5,376	2,927	2,927	0
Total Support Services	24,376	24,090	24,090	0
<i>Total Expenditures</i>	24,376	24,765	24,764	1
<i>Net Change in Fund Balance</i>	0	2,449	1	(2,448)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$2,449	\$1	(\$2,448)

Brecksville-Broadview Heights City School District*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-A Fund**For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$78,246	\$78,246	\$77,639	(\$607)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	58,865	58,865	58,865	0
Fringe Benefits	11,666	11,021	10,982	39
Purchased Services	1,100	1,100	1,005	95
Capital Outlay - New	5,000	5,000	5,000	0
Total Instruction	76,631	75,986	75,852	134
Support Services:				
Pupil:				
Purchased Services	17,830	17,868	14,576	3,292
Materials and Supplies	1,971	1,971	1,971	0
Total Support Services	19,801	19,839	16,547	3,292
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	3,566	3,566	563	3,003
<i>Total Expenditures</i>	99,998	99,391	92,962	6,429
<i>Net Change in Fund Balance</i>	(21,752)	(21,145)	(15,323)	5,822
<i>Fund Balance Beginning of Year</i>	21,672	21,672	21,672	0
<i>Prior Year Encumbrances Appropriated</i>	80	80	80	0
<i>Fund Balance End of Year</i>	\$0	\$607	\$6,429	\$5,822

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,678	\$3,678	\$3,671	(\$7)
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	3,850	2,611	901	1,710
Support Services:				
Pupil:				
Purchased Services	1,500	1,500	1,444	56
Materials and Supplies	415	415	415	0
Capital Outlay - New	0	1,252	1,252	0
Total Pupil	1,915	3,167	3,111	56
Instructional Staff:				
Purchased Services	1,120	1,100	83	1,017
Total Support Services	3,035	4,267	3,194	1,073
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	200	200	0	200
<i>Total Expenditures</i>	7,085	7,078	4,095	2,983
<i>Net Change in Fund Balance</i>	(3,407)	(3,400)	(424)	2,976
<i>Fund Balance Beginning of Year</i>	3,407	3,407	3,407	0
<i>Fund Balance End of Year</i>	\$0	\$7	\$2,983	\$2,976

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$663,857	\$1,115,053	\$1,104,875	(\$10,178)
Intergovernmental	84,268	138,269	138,269	0
<i>Total Revenues</i>	<u>748,125</u>	<u>1,253,322</u>	<u>1,243,144</u>	<u>(10,178)</u>
Expenditures				
Current:				
Pupil Transportation:				
Capital Outlay - New	0	155,930	155,925	5
Capital Outlay:				
Site Improvement Services				
Purchased Services	50,000	18,000	17,209	791
Capital Outlay - New	366,079	398,079	394,822	3,257
Total Site Improvement Services	416,079	416,079	412,031	4,048
Building Acquisition and Construction Services:				
Purchased Services	802,256	322,256	318,522	3,734
Total Capital Outlay	<u>1,218,335</u>	<u>738,335</u>	<u>730,553</u>	<u>7,782</u>
<i>Total Expenditures</i>	<u>1,218,335</u>	<u>894,265</u>	<u>886,478</u>	<u>7,787</u>
<i>Net Change in Fund Balance</i>	(470,210)	359,057	356,666	(2,391)
<i>Fund Balance Beginning of Year</i>	560,146	560,146	560,146	0
Prior Year Encumbrances Appropriated	64,335	64,335	64,335	0
<i>Fund Balance End of Year</i>	<u><u>\$154,271</u></u>	<u><u>\$983,538</u></u>	<u><u>\$981,147</u></u>	<u><u>(\$2,391)</u></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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$7,814</u>	<u>\$0</u>	<u>(7,814)</u>
Expenditures				
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Capital Outlay - New	1,270,012	1,262,198	1,260,267	1,931
Site Improvement Services:				
Purchased Services	<u>0</u>	<u>7,814</u>	<u>6,452</u>	<u>1,362</u>
<i>Total Expenditures</i>	<u>1,270,012</u>	<u>1,270,012</u>	<u>1,266,719</u>	<u>3,293</u>
<i>Net Change in Fund Balance</i>	(1,270,012)	(1,262,198)	(1,266,719)	(4,521)
<i>Fund Balance Beginning of Year</i>	192,590	192,590	192,590	0
Prior Year Encumbrances Appropriated	<u>1,077,422</u>	<u>1,077,422</u>	<u>1,077,422</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$7,814</u>	<u>\$3,293</u>	<u>(\$4,521)</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$39,000	\$39,000	\$39,060	\$60
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	15,417	15,417	15,417	0
Capital Outlay - New	39,000	39,000	39,000	0
<i>Total Expenditures</i>	54,417	54,417	54,417	0
<i>Net Change in Fund Balance</i>	(15,417)	(15,417)	(15,357)	60
<i>Fund Balance Beginning of Year</i>	15,417	15,417	15,417	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$60	\$60

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$550,000	\$550,000	\$542,546	(\$7,454)
Expenses				
Purchased Services	6,126	6,126	6,126	0
Claims	649,249	765,614	765,612	2
<i>Total Expenses</i>	<u>655,375</u>	<u>771,740</u>	<u>771,738</u>	<u>2</u>
<i>Net Change in Fund Equity</i>	(105,375)	(221,740)	(229,192)	(7,452)
<i>Fund Equity Beginning of Year</i>	381,759	381,759	381,759	0
Prior Year Encumbrances Appropriated	<u>375</u>	<u>375</u>	<u>375</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$276,759</u>	<u>\$160,394</u>	<u>\$152,942</u>	<u>(\$7,452)</u>

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Unclaimed Monies Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$0	\$0	\$885	\$885
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	885	885
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$885</u>	<u>\$885</u>

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-22
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-23 - S-27
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-28 - S-30
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-31 - S-44

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.

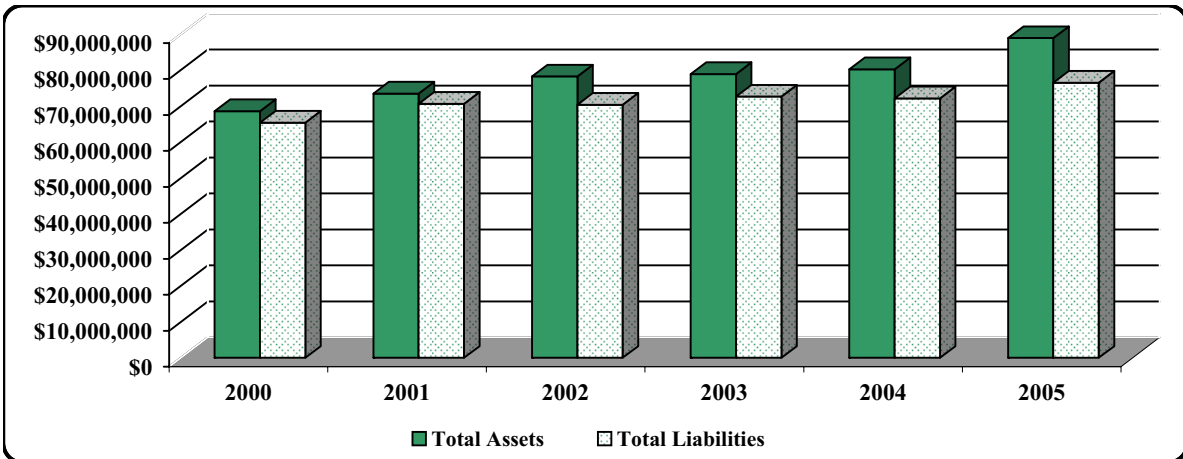
Brecksville-Broadview Heights City School District

Net Assets by Component

Last Six Fiscal Years

(accrual basis of accounting)

	2000	2001	2002	2003	2004	2005
Invested in Capital Assets, Net of Related Debt	\$2,446,368	\$2,124,718	\$2,202,501	\$3,409,804	\$5,063,402	\$4,776,592
Restricted for:						
Capital Projects	445,893	906,350	1,008,740	758,863	50,217	1,496,479
Debt Service	2,356,150	2,037,823	3,686,279	2,926,552	3,225,770	2,958,709
Other Purposes	459,760	574,859	249,748	474,238	382,180	471,229
Unrestricted (Deficit)	(2,461,737)	(2,800,026)	699,463	(1,262,893)	(604,530)	2,735,208
Total Net Assets	\$3,246,434	\$2,843,724	\$7,846,731	\$6,306,564	\$8,117,039	\$12,438,217



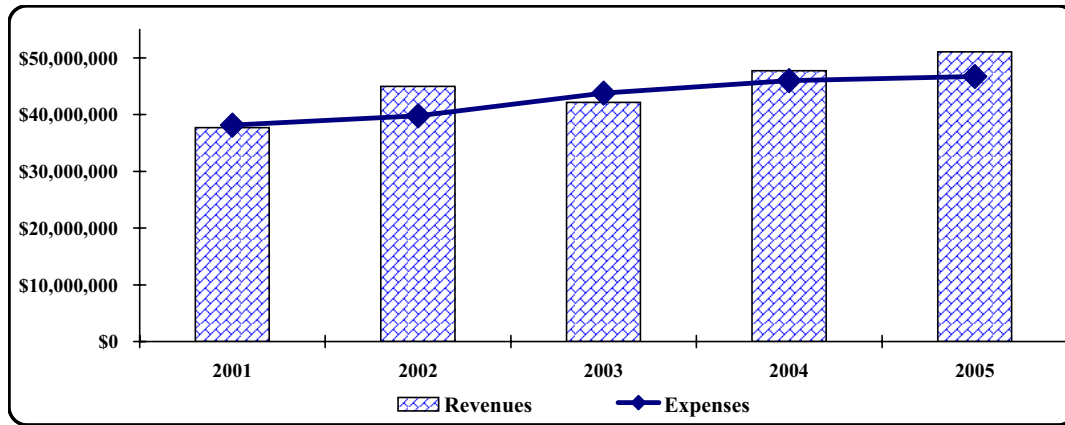
Brecksville-Broadview Heights City School District
Changes in Net Assets of Governmental Activities
Last Five Fiscal Years
(accrual basis of accounting)

	2001	2002	2003	2004	2005
Expenses					
Regular Instruction	\$16,903,574	\$16,928,235	\$18,461,540	\$20,117,135	\$19,813,375
Special Instruction	2,668,254	3,300,946	3,822,794	4,346,033	4,649,733
Vocational Instruction	323,441	356,858	361,761	355,380	296,206
Adult/Continuing Instruction	23,088	21,927	28,314	13,408	30,824
Pupil Support	2,791,267	2,673,608	2,552,380	2,642,972	2,868,628
Instructional Staff Support	884,751	1,329,824	1,715,541	2,033,834	2,148,023
Board of Education	45,699	62,454	99,981	48,449	82,551
Administration	2,307,960	2,478,274	3,027,354	2,980,665	3,131,675
Fiscal	664,678	724,740	723,931	777,948	902,114
Business	390,817	324,061	271,185	466,348	443,117
Operation and Maintenance of Plant	3,698,845	3,831,495	4,507,956	4,161,441	4,217,392
Pupil Transportation	2,340,057	2,385,949	2,707,920	2,687,514	2,885,018
Central	221,233	229,345	203,997	206,758	162,987
Operation of Non-Instructional Services	362,451	364,304	432,703	405,875	481,639
Food Service Operations	1,341,004	1,282,200	1,325,944	1,422,555	1,343,942
Child Care Operations	389,644	518,821	476,648	408,345	350,949
Extracurricular Activities	758,512	881,596	1,019,536	934,006	998,094
Interest and Fiscal Charges	2,012,299	2,056,706	2,034,073	1,951,763	1,915,343
<i>Total Expenses</i>	<u>38,127,574</u>	<u>39,751,343</u>	<u>43,773,558</u>	<u>45,960,429</u>	<u>46,721,610</u>
Program Revenues					
Charges for Services					
Regular Instruction	550,483	856,076	685,361	577,050	636,096
Special Instruction	86,280	154,911	273,870	219,020	440,896
Administration	0	0	0	453	421
Fiscal	0	29,376	11,087	37,316	41,853
Business	25,347	23,716	31,194	0	0
Operation and Maintenance of Plant	76,452	50,159	47,249	56,020	86,413
Pupil Transportation	4,642	12,516	0	28,109	20,094
Operation of Non-Instruction Services	14,725	22,626	3,549	699	0
Food Service Operations	963,057	969,961	1,012,054	1,086,128	1,138,749
Child Care Operations	365,362	453,884	472,007	446,070	391,306
Extracurricular Activities	261,454	227,023	236,459	348,001	345,866
Operating Grants, Contributions and Interest					
Regular Instruction	185,046	202,802	194,378	306,234	348,720
Special Instruction	227,873	340,113	247,805	343,561	413,240
Vocational Instruction	0	0	0	19,714	92,484
Adult/Continuing Instruction	25,460	0	14,540	0	35,758
Pupil Support	39,513	15,996	87,496	21,575	47,884
Staff Support	78,644	14,592	159,539	292,249	335,589
Administration	15,261	0	16,657	16,273	51,288
Fiscal	0	0	0	0	20
Operation and Maintenance of Plant	0	0	21,000	0	978
Pupil Transportation	0	0	0	0	29,037
Central	6,825	4,114	3,815	4,014	4,477
Operation of Non-Instruction Services	352,816	315,062	390,440	426,512	431,697
Food Service Operations	171,351	184,601	142,931	218,411	206,421
Child Care Operations	28,413	5,630	19,031	18,121	20,279
Extracurricular Activities	600	604	2,050	478	1,770
Capital Grants and Contributions					
Regular Instruction	44,124	0	62,409	0	39,060
Pupil Transportation	77,199	61,371	161,672	28,057	32,820
<i>Total Program Revenues</i>	<u>3,600,927</u>	<u>3,945,133</u>	<u>4,296,593</u>	<u>4,494,065</u>	<u>5,193,216</u>
Net Expense	<u>(\$34,526,647)</u>	<u>(\$35,806,210)</u>	<u>(\$39,476,965)</u>	<u>(\$41,466,364)</u>	<u>(\$41,528,394)</u>

(continued)

Brecksville-Broadview Heights City School District
Changes in Net Assets of Governmental Activities (continued)
Last Five Fiscal Years
(accrual basis of accounting)

	2001	2002	2003	2004	2005
<i>General Revenues</i>					
Property Taxes Levied for:					
General Purposes	24,207,540	28,746,533	25,491,761	29,951,494	31,825,729
Debt Service	2,598,935	3,277,653	2,322,468	2,787,447	2,178,970
Capital Outlay	689,570	724,239	587,995	697,641	1,230,725
Grants and Entitlements not					
Restricted to Specific Programs	5,850,420	7,922,678	9,194,466	9,624,223	10,242,942
Payment in Lieu of Taxes	44,160	24,660	41,722	17,848	0
Unrestricted Contributions	0	0	0	5,942	0
Interest	503,744	243,378	188,124	108,023	300,889
Gain on Sale of Capital Assets	0	0	0	6,988	2,284
Miscellaneous	229,568	14,660	17,846	77,233	68,033
<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>	<u>45,849,572</u>
<i>Change in Net Assets</i>	<u>(\$402,710)</u>	<u>\$5,147,291</u>	<u>(\$1,632,583)</u>	<u>\$1,810,475</u>	<u>\$4,321,178</u>



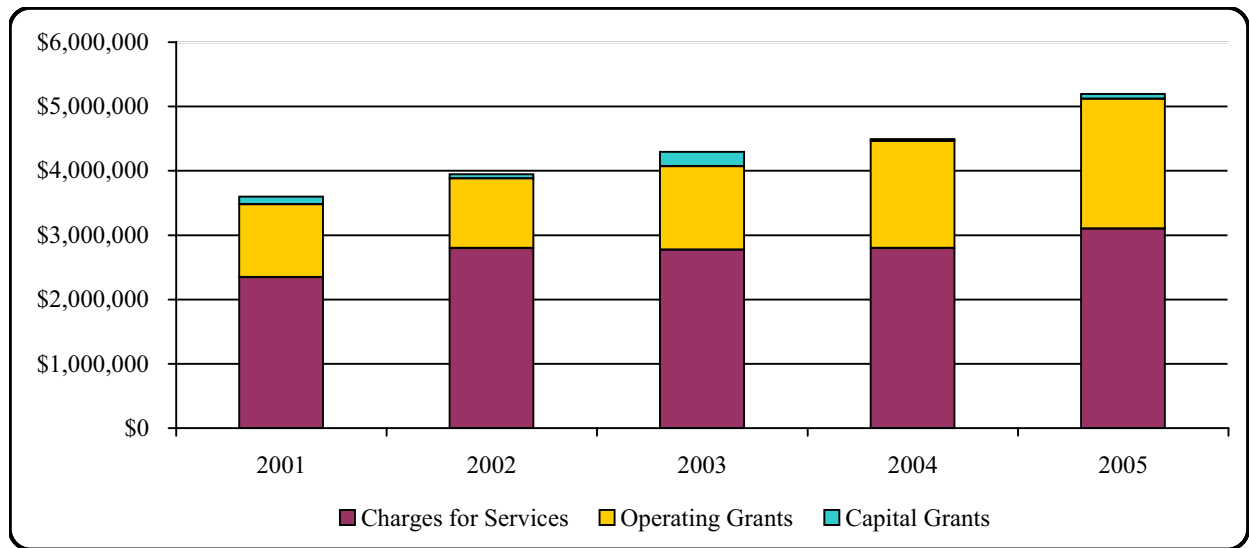
Brecksville-Broadview Heights City School District

Program Revenues by Function

Last Five Fiscal Years

(accrual basis of accounting)

	2001	2002	2003	2004	2005
Governmental Activities					
<i>Function</i>					
Regular Instruction	\$779,653	\$1,058,878	\$942,148	\$883,284	\$1,023,876
Special Instruction	314,153	495,024	521,675	562,581	854,136
Vocational Instruction	0	0	0	19,714	92,484
Adult/Continuing Instruction	25,460	0	14,540	0	35,758
Pupil Support	39,513	15,996	87,496	21,575	47,884
Instructional Staff Support	78,644	14,592	159,539	292,249	335,589
Administration	15,261	0	16,657	16,726	51,709
Fiscal	0	29,376	11,087	37,316	41,873
Business	25,347	23,716	31,194	0	0
Operation and Maintenance of Plant	76,452	50,159	68,249	56,020	87,391
Pupil Transportation	81,841	73,887	161,672	56,166	81,951
Central	6,825	4,114	3,815	4,014	4,477
Operation of Non-Instructional Services	367,541	337,688	393,989	427,211	431,697
Food Service Operations	1,134,408	1,154,562	1,154,985	1,304,539	1,345,170
Child Care Operations	393,775	459,514	491,038	464,191	411,585
Extracurricular Activities	262,054	227,627	238,509	348,479	347,636
Total Program Revenues	\$3,600,927	\$3,945,133	\$4,296,593	\$4,494,065	\$5,193,216



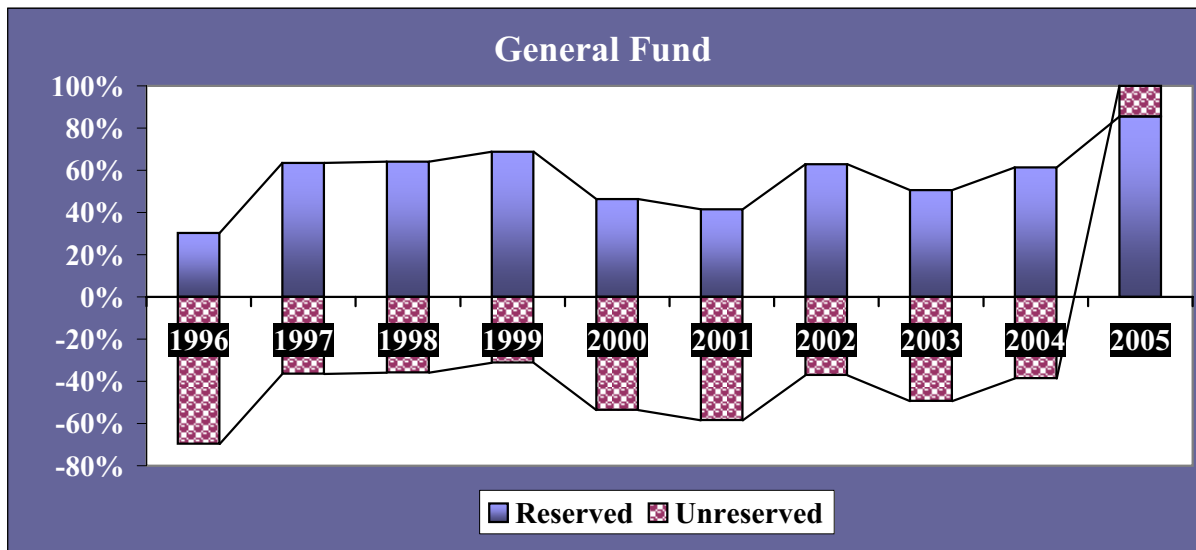
Brecksville-Broadview Heights City School District

Fund Balances, Governmental Funds

Last Ten 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	(159,874)	(809,752)	(989,778)	(1,323,519)
<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)	3,087,442	281,301	(476,009)	365,216
<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>



2000	2001	2002	2003	2004	2005
\$2,057,900	\$2,074,635	\$5,387,665	\$2,668,090	\$4,860,762	\$4,592,263
(2,385,267)	(2,914,046)	(3,177,915)	(2,609,340)	(3,059,429)	778,185
(327,367)	(839,411)	2,209,750	58,750	1,801,333	5,370,448
2,505,715	541,606	2,587,992	713,180	1,564,044	905,878
370,815	417,613	449,757	328,667	494,547	505,403
0	2,188,173	2,646,270	2,721,068	3,683,563	3,499,840
529,243	694,160	(995,805)	(445,402)	(3,636)	473,836
3,405,773	3,841,552	4,688,214	3,317,513	5,738,518	5,384,957
\$3,078,406	\$3,002,141	\$6,897,964	\$3,376,263	\$7,539,851	\$10,755,405

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

	1996	1997	1998	1999	2000
Revenues					
Taxes	\$20,255,162	\$20,370,327	\$23,332,631	\$26,050,685	\$24,398,113
Intergovernmental	4,852,064	4,621,579	5,128,466	6,147,132	6,430,236
Interest	2,078,035	3,148,088	363,367	373,505	454,441
Tuition and Fees	1,582	23,532	112,614	95,736	366,394
Extracurricular Activities	206,230	222,993	364,427	248,472	413,092
Payment in Lieu of Taxes	0	0	0	322,664	0
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	260,046	256,363	401,350	0	371,922
<i>Total Revenues</i>	<u>27,653,119</u>	<u>28,642,882</u>	<u>29,702,855</u>	<u>33,238,194</u>	<u>32,434,198</u>
Expenditures					
Current:					
Instruction:					
Regular	12,019,454	12,819,288	12,038,755	13,738,396	14,852,482
Special	1,102,370	1,120,039	1,402,504	1,483,534	1,830,445
Vocational	264,052	273,109	242,288	264,900	285,678
Adult/Continuing	405,619	284,702	391,636	265,641	153,640
Support Services:					
Pupil	1,553,503	1,542,422	1,577,535	1,937,366	2,401,572
Instructional Staff	1,137,793	1,100,471	903,507	745,164	901,350
Board of Education	73,414	55,170	84,760	46,225	58,886
Administration	1,651,647	1,700,515	1,950,872	2,048,914	2,257,366
Fiscal	527,898	550,203	579,205	673,460	665,498
Business	423,553	524,183	487,279	363,189	324,870
Operation and Maintenance of Plant	2,249,641	2,480,056	3,014,569	3,390,714	3,391,522
Pupil Transportation	1,870,603	1,671,933	1,747,938	2,298,954	2,382,284
Central	191,688	184,025	182,855	204,882	217,348
Operation of Non-Instructional Services	393,178	461,023	245,314	284,622	307,636
Food Service Operations	568,726	0	0	0	0
Child Care Operations	0	0	0	0	0
Extracurricular Activities	0	568,267	668,009	637,834	654,042
Capital Outlay	7,090,984	18,123,925	7,985,972	396,742	818,408
Debt Service:					
Principal Retirement	36,145,000	36,145,000	720,000	840,000	1,240,000
Interest and Fiscal Charges	2,148,319	4,219,932	2,110,221	2,073,649	2,030,966
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>69,817,442</u>	<u>83,824,263</u>	<u>36,333,219</u>	<u>31,694,186</u>	<u>34,773,993</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(42,164,323)</u>	<u>(55,181,381)</u>	<u>(6,630,364)</u>	<u>1,544,008</u>	<u>(2,339,795)</u>
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	0	0	0
General Obligation Bonds Issued	36,153,864	0	0	0	0
General Obligation Notes Issued	36,085,320	0	0	650,000	0
Swap Payment	0	0	0	0	0
Capital Lease Issued	0	0	0	0	0
Transfers In	32,140	59,586	42,545	35,104	246,141
Transfers Out	(64,662)	(64,823)	(41,568)	(165,236)	(310,391)
<i>Total Other Financing Sources (Uses)</i>	<u>72,206,662</u>	<u>(5,237)</u>	<u>977</u>	<u>519,868</u>	<u>(64,250)</u>
<i>Net Change in Fund Balances</i>	<u><u>\$30,042,339</u></u>	<u><u>(\$55,186,618)</u></u>	<u><u>(\$6,629,387)</u></u>	<u><u>\$2,063,876</u></u>	<u><u>(\$2,404,045)</u></u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	61.05%	61.44%	9.98%	9.31%	9.63%

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

2001	2002	2003	2004	2005
\$26,671,090	\$32,549,500	\$28,117,547	\$33,692,675	\$35,207,521
6,946,040	8,982,940	10,538,112	11,152,063	12,176,303
511,797	246,517	191,262	108,680	303,592
546,771	786,284	856,890	1,100,271	917,299
275,868	245,655	270,674	344,725	345,866
44,160	24,660	41,722	17,848	0
98,413	38,909	44,618	60,497	48,219
1,453,646	1,492,371	1,566,467	1,629,856	1,775,432
208,002	96,457	176,979	172,644	155,458
265,806	74,995	17,249	77,830	67,849
<u>37,021,593</u>	<u>44,538,288</u>	<u>41,821,520</u>	<u>48,357,089</u>	<u>50,997,539</u>
15,761,853	16,144,367	17,519,887	18,722,196	18,812,522
2,599,159	3,285,107	3,730,877	4,333,460	4,567,484
306,279	337,506	382,504	362,068	315,221
23,088	21,927	0		
2,678,048	2,620,258	2,487,696	2,593,444	2,806,598
775,772	1,279,271	1,625,195	1,968,990	2,089,071
45,531	62,622	130,941	48,622	82,551
2,267,178	2,350,244	2,848,834	2,935,442	2,984,465
645,979	727,577	704,571	785,508	893,341
357,771	291,828	428,160	399,123	366,004
3,513,466	4,102,258	4,211,621	3,998,754	4,049,892
2,316,913	2,505,392	2,836,079	2,691,746	2,747,575
219,536	236,431	197,379	197,297	163,309
360,359	346,551	428,679	422,670	477,231
1,164,510	1,241,406	1,242,088	1,300,917	1,348,628
377,731	508,031	487,164	422,609	374,298
742,315	869,195	978,237	937,170	967,951
359,737	917,053	2,089,834	1,659,353	1,454,770
950,000	934,266	1,042,935	1,125,635	1,370,820
2,016,292	2,056,191	2,038,286	1,951,985	1,912,538
0	0	0	122,000	0
<u>37,481,517</u>	<u>40,837,481</u>	<u>45,410,967</u>	<u>46,978,989</u>	<u>47,784,269</u>
<u>(459,924)</u>	<u>3,700,807</u>	<u>(3,589,447)</u>	<u>1,378,100</u>	<u>3,213,270</u>
0	0	0	6,988	2,284
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
98,383	164,516	421,878	432,083	285,682
<u>(98,383)</u>	<u>(164,816)</u>	<u>(421,878)</u>	<u>(432,083)</u>	<u>(285,682)</u>
0	813,411	0	2,785,488	2,284
<u>(\$459,924)</u>	<u>\$4,514,218</u>	<u>(\$3,589,447)</u>	<u>\$4,163,588</u>	<u>\$3,215,554</u>
7.99%	7.49%	7.11%	6.79%	7.11%

Brecksville-Broadview Heights City School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Collection Year	Real Estate			Estimated Actual Value	Tangible Assessed Value
	Assessed Value				
	Residential/ Agricultural	Commercial/ Industrial	Total		
1996	\$473,929,060	\$101,678,270	\$575,607,330	\$1,644,592,371	\$38,667,927
1997	484,514,580	102,135,440	586,650,020	1,676,142,914	42,356,858
1998	531,152,830	112,564,460	643,717,290	1,839,192,257	48,798,927
1999	545,737,710	123,902,570	669,640,280	1,913,257,943	45,155,832
2000	554,102,830	117,376,070	671,478,900	1,918,511,143	44,687,211
2001	626,635,100	141,787,790	768,422,890	2,195,493,971	46,608,350
2002	642,960,200	150,750,910	793,711,110	2,267,746,029	49,828,303
2003	660,944,540	151,865,960	812,810,500	2,322,315,714	49,439,385
2004	721,232,210	156,146,620	877,378,830	2,506,796,657	44,476,870
2005	740,224,070	157,679,810	897,903,880	2,565,439,657	48,367,742

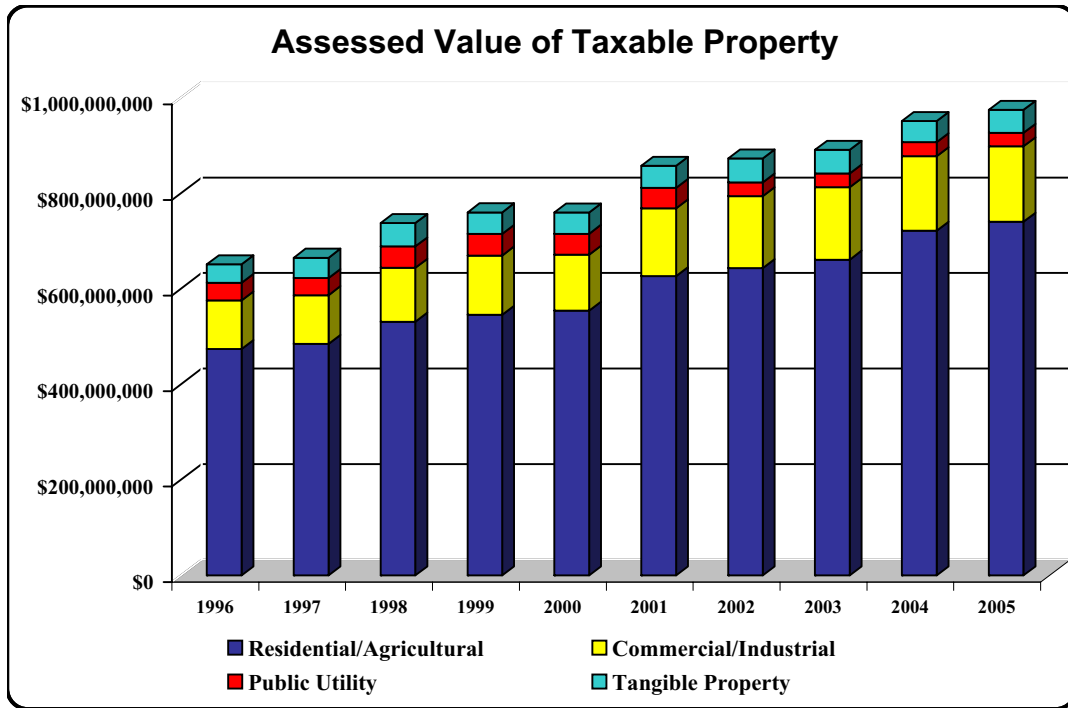
Source: Office of the County Auditor, Cuyahoga County, Ohio

Note: Property in Cuyahoga County is reappraised once every six years with a State mandated update of the current market value in the third year after a reappraisal.

* Assessed valuation for real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. Other tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent.

The values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue received in that year.

Personal		Public Utility		Total	
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$154,671,708	\$36,708,130	\$41,713,784	\$650,983,387	\$1,840,977,864	35.36%
169,427,432	35,988,790	40,896,352	664,995,668	1,886,466,698	35.25
195,195,708	45,276,990	51,451,125	737,793,207	2,085,839,090	35.37
180,623,328	45,155,830	51,313,443	759,951,942	2,145,194,714	35.43
178,748,844	43,701,000	49,660,227	759,867,111	2,146,920,214	35.39
186,433,400	42,472,640	48,264,364	857,503,880	2,430,191,735	35.29
199,313,212	29,120,890	33,091,920	872,660,303	2,500,151,161	35.29
197,757,540	28,750,440	32,670,955	891,000,325	2,552,744,209	34.90
177,907,480	29,439,450	33,453,920	951,295,150	2,718,158,058	35.00
193,470,968	28,456,740	32,337,205	974,728,362	2,791,247,830	34.92



Brecksville-Broadview Heights City School District

Property Tax Rates

(per \$1,000 of assessed value)

Last Ten Years (1)

	1996	1997	1998	1999
Unvoted Millage				
Operating	\$4.690000	\$4.690000	\$4.690000	\$4.690000
Voted Millage - by levy				
1976 Operating - continuing	32.600000	32.600000	32.600000	32.600000
Effective Millage Rates				
Residential/Agricultural	7.967081	7.959844	7.409230	7.391789
Commercial/Industrial	13.768740	13.815293	13.213236	13.157653
Tangible/Public Utility Personal	32.600000	32.600000	32.600000	32.600000
1976 Permanent Improvement	0.900000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.219950	0.000000	0.000000	0.000000
Commercial/Industrial	0.380118	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.900000	0.000000	0.000000	0.000000
1978 Operating - continuing	5.800000	5.800000	5.800000	5.800000
Effective Millage Rates				
Residential/Agricultural	2.079955	2.078065	1.934312	1.929753
Commercial/Industrial	3.058543	3.068884	2.935148	2.922806
Tangible/Public Utility Personal	5.800000	5.800000	5.800000	5.800000
1980 Bond (\$1,514,000)	0.260000	0.160000	0.160000	0.160000
1984 Operating - continuing	3.950000	3.950000	3.950000	3.950000
Effective Millage Rates				
Residential/Agricultural	2.203235	2.201228	2.489520	2.044121
Commercial/Industrial	2.812463	2.821975	2.698996	2.687643
Tangible/Public Utility Personal	3.950000	3.950000	3.950000	3.950000
1985 Bond (\$1,350,000)	0.300000	0.200000	0.200000	0.200000
1993 Operating - 5 years	7.400000	7.400000	7.400000	7.400000
Effective Millage Rates				
Residential/Agricultural	6.343835	6.338063	5.899613	5.885708
Commercial/Industrial	6.885027	6.908307	6.607245	6.579451
Tangible/Public Utility Personal	7.400000	7.400000	7.400000	7.400000
1994 New High School Bond (\$36,000,000)	4.600000	4.000000	3.900000	3.800000

2000	2001	2002	2003	2004	2005
\$4.690000	\$4.690000	\$4.690000	\$4.690000	\$4.690000	\$4.690000
32.600000	32.600000	32.600000	32.600000	32.600000	32.600000
7.397494	6.666830	6.634100	6.624711	6.176657	6.172777
13.065004	11.290195	11.163153	11.116470	10.757609	10.683476
32.600000	32.600000	32.600000	32.600000	32.600000	32.600000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
5.800000	5.800000	5.800000	5.800000	5.800000	5.800000
1.931243	1.740493	1.731944	1.729496	1.612522	1.611507
2.902221	2.507972	2.479755	2.469391	2.389670	2.373198
5.800000	5.800000	5.800000	5.800000	5.800000	5.800000
0.160000	0.000000	0.000000	0.000000	0.000000	0.000000
3.950000	3.950000	3.950000	3.950000	3.950000	3.950000
2.045697	1.843643	1.731944	1.831990	1.708079	1.707000
2.668715	2.306184	2.280236	2.270701	2.197397	2.182249
3.950000	3.950000	3.950000	3.950000	3.950000	3.950000
0.200000	0.130000	0.130000	0.130000	0.130000	0.130000
7.400000	7.400000	7.400000	7.400000	7.400000	7.400000
5.890252	5.308464	5.282386	5.274912	4.918129	4.915021
6.533112	5.645623	5.582094	5.558754	5.379297	5.342215
7.400000	7.400000	7.400000	7.400000	7.400000	7.400000
3.700000	3.430000	3.230000	3.230000	3.130000	3.030000

(continued)

Brecksville-Broadview Heights City School District

Property Tax Rates (continued)

(per \$1,000 of assessed value)

Last Ten Years (1)

	1996	1997	1998	1999
1997 Operating - 3 years	\$0.000000	\$0.000000	\$5.800000	\$5.800000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	5.398768	5.386042
Commercial/Industrial	0.000000	0.000000	5.547236	5.523903
Tangible/Public Utility Personal	0.000000	0.000000	5.800000	5.800000
1997 Permanent Improvements - 3 years	0.000000	0.000000	1.000000	1.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.930822	0.952397
Commercial/Industrial	0.000000	0.000000	0.956420	0.928628
Tangible/Public Utility Personal	0.000000	0.000000	1.000000	1.000000
2001 Operating - 5 years	0.000000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
2004 Operating - 5 years	0.000000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
2004 Permanent Improvements - 5 years	0.000000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
Total Voted Millage	55.810000	54.110000	60.810000	60.710000
Total Effective Voted Millage by type of property				
Residential/Agricultural	23.974056	22.937200	28.322265	27.749810
Commercial/Industrial	32.064891	30.974459	36.218281	35.960084
Tangible/Public Utility Personal	55.810000	54.110000	60.810000	60.710000

2000	2001	2002	2003	2004	2005
\$5.800000	\$5.800000	\$5.800000	\$5.800000	\$5.800000	\$5.800000
5.390195	4.857796	4.833935	4.827091	4.500597	4.497749
5.485002	4.739893	4.686557	4.666958	4.516292	4.485157
5.800000	5.800000	5.800000	5.800000	5.800000	5.800000
1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
0.929344	0.837551	0.833437	0.832257	0.775965	0.775474
0.945690	0.817223	0.808027	0.804648	0.778671	0.773303
1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
0.000000	0.000000	6.900000	6.900000	6.900000	6.900000
0.000000	0.000000	6.866100	6.856378	6.392629	6.388586
0.000000	0.000000	6.822354	6.793830	6.574499	6.529180
0.000000	0.000000	6.900000	6.900000	6.900000	6.900000
0.000000	0.000000	0.000000	0.000000	0.000000	5.300000
0.000000	0.000000	0.000000	0.000000	0.000000	5.296645
0.000000	0.000000	0.000000	0.000000	0.000000	5.263462
0.000000	0.000000	0.000000	0.000000	0.000000	5.300000
0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.999367
0.000000	0.000000	0.000000	0.000000	0.000000	0.993106
0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
60.610000	60.110000	66.810000	66.810000	66.710000	72.910000
27.644225	24.814777	31.273846	31.336835	29.344578	35.524126
35.659744	30.867090	37.182176	37.040752	35.853435	41.785346
60.610000	60.110000	66.810000	66.810000	66.710000	72.910000

(continued)

Brecksville-Broadview Heights City School District

Property Tax Rates (continued)

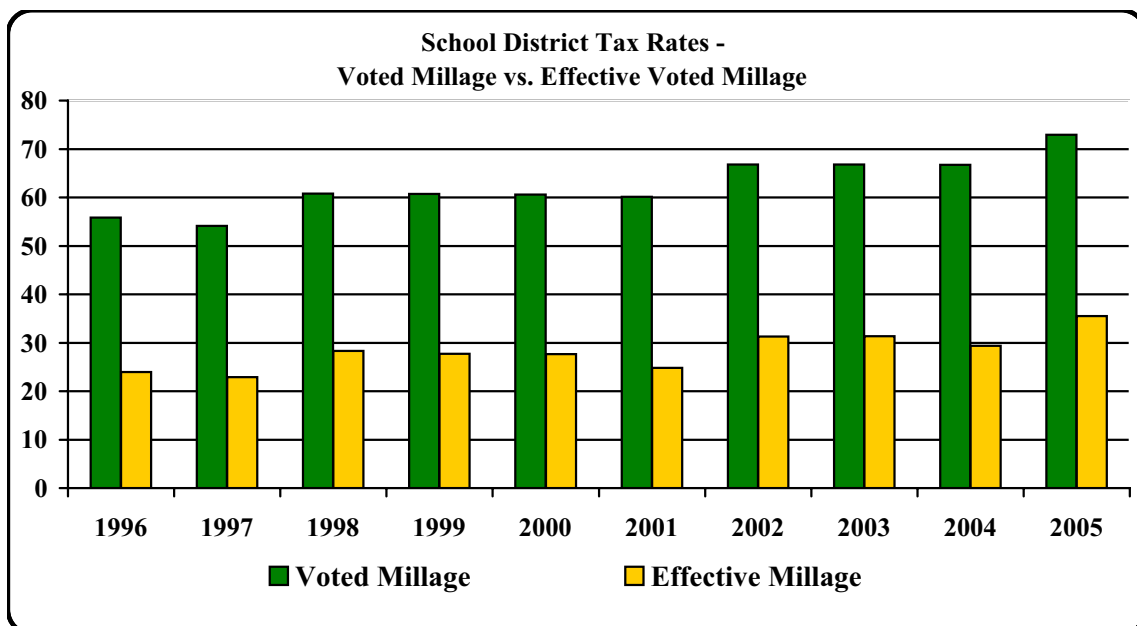
(per \$1,000 of assessed value)

Last Ten Years (1)

	1996	1997	1998	1999
Overlapping Rates by Taxing District				
City of Brecksville Charter Millage	\$8.800000	\$8.800000	\$8.800000	\$8.700000
Effective Millage Rates				
Residential/Agricultural	8.800000	8.800000	8.800000	8.700000
Commercial/Industrial	8.800000	8.800000	8.800000	8.700000
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.700000
City of Broadview Heights Voted Millage	9.400000	9.400000	9.400000	9.400000
Effective Millage Rates				
Residential/Agricultural	6.594973	6.581421	6.508346	6.499533
Commercial/Industrial	7.310939	7.316703	7.272562	7.261755
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
Cuyahoga Valley Career Center Voted Millage	2.000000	2.000000	2.000000	2.000000
Effective Millage Rates				
Residential/Agricultural	2.000000	2.000000	2.000000	2.000000
Commercial/Industrial	2.000000	2.000000	2.000000	2.000000
Tangible/Public Utility Personal	2.000000	2.000000	2.000000	2.000000
Cuyahoga County Voted Millage	18.000000	18.000000	18.000000	18.000000
Effective Millage Rates				
Residential/Agricultural	12.806265	12.792270	12.225590	13.983961
Commercial/Industrial	14.661907	14.636852	14.478219	15.182254
Tangible/Public Utility Personal	18.000000	18.000000	18.000000	18.000000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented on S10 and S11 generated the property tax revenue received in that year.

2000	2001	2002	2003	2004	2005
\$8.700000	\$8.700000	\$8.700000	\$8.800000	\$8.700000	\$8.700000
8.700000	8.700000	8.700000	8.800000	8.700000	8.700000
8.700000	8.700000	8.700000	8.800000	8.700000	8.700000
8.700000	8.700000	8.700000	8.800000	8.700000	8.700000
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
6.491718	6.413278	6.410067	6.405723	6.343977	6.330872
7.245845	7.020441	6.991633	7.003051	6.956475	6.953430
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
16.700000	17.600000	17.600000	17.600000	19.400000	20.300000
14.235469	13.938909	13.916879	14.993182	15.768175	17.263292
15.265869	14.455050	14.534243	15.426035	17.224470	18.491220
16.700000	17.600000	17.600000	17.600000	19.400000	20.300000



Brecksville-Broadview Heights City School District

Property Tax Levies and Collections (1)

Last Ten Years

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>
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
2004	38,248,233	35,589,899	93.04

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 2005 information cannot be presented because all collections have not been made by June 30, 2005.
- (3) The County does not maintain delinquency collections information by tax year.

Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
\$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	93.46
797,134	34,513,075	95.32
900,216	34,961,097	94.10
1,183,767	36,773,666	96.14

Brecksville-Broadview Heights City School District

Principal Taxpayers

Real Estate Tax

December 31, 2004 and December 31, 1997

Name of Taxpayer	December 31, 2004	
	Assessed Valuation	Percent of Real Assessed Value
Ohio Bell	\$12,044,980	1.34%
PMD Group Co. Inc.	7,692,300	0.86
CEI	5,888,160	0.66
South Hills Limited	5,684,980	0.63
F. C. Vineyards, L.P.	4,251,420	0.47
Grand Bay of Brecksville	4,070,440	0.45
Treeline Inc.	3,399,970	0.38
Gateway Associates	3,185,930	0.36
Grand Bay of Brecksville	2,953,480	0.33
Stoney Run Limited	2,813,340	0.31
Total	\$51,985,000	5.79%

Total Real Estate Valuation \$897,903,880

Name of Taxpayer	December 31, 1997 (1)	
	Assessed Valuation	Percent of Real Assessed Value
B.F. Goodrich Company	\$7,293,930	1.13%
Grand Bay of Brecksville	4,137,810	0.64
F. C. Vineyards, L.P.	3,759,390	0.58
Gateway Associates	2,885,160	0.45
Boyas-Broadview	2,617,760	0.41
South Hills	2,487,450	0.39
Stoney Run Limited	2,293,200	0.36
South Point Association	2,265,770	0.35
Richard Klein, Trustee	2,167,380	0.34
Brecksville Shopping Center	2,013,200	0.31
Total	\$31,921,050	4.96%

Total Real Estate Valuation \$643,717,290

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) Information prior to 1997 is not available.

Brecksville-Broadview Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 2004 and December 31, 1997

Name of Taxpayer	December 31, 2004	
	Assessed Valuation	Percent of Tangible Assessed Value
Noveon Inc.	\$6,739,540	13.93%
Ohio Machinery Company	6,733,980	13.92
Curtiss Wright Flow Control, Incorporated	2,545,960	5.26
Marathon Ashland Petroleum	1,797,030	3.72
Durez Corporation	1,703,030	3.52
Barnes Group Incorporation	1,389,940	2.87
Polyone Corporation	1,175,180	2.43
Andy Sims Buick, Incorporated	963,760	1.99
IBM Credit LLC	960,370	1.99
Leaseway Motorcar Company	942,490	1.95
Total	\$24,951,280	51.58%
Total Tangible Assessed Valuation	\$48,367,742	

Name of Taxpayer	December 31, 1997 (1)	
	Assessed Valuation	Percent of Tangible Assessed Value
B.F. Goodrich Company	\$9,430,820	19.33%
Ohio Machinery Company	6,925,600	14.19
Teledyne Industries, Incorporated	3,773,180	7.73
Interlock Corporation	1,572,490	3.22
Lapine Truck Sales and Equipment	1,487,800	3.05
Marathon Oil Company	1,250,650	2.56
Ferro Corporation	1,244,270	2.55
Ameritech Services Incorporated	1,196,000	2.45
Machines Corporation	982,810	2.02
MA Hanna Company	763,290	1.56
Total	\$28,626,910	58.66%
Total Tangible Assessed Valuation	\$48,798,927	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) Information prior to 1997 is not available.

Brecksville-Broadview Heights City School District

Principal Taxpayers

Public Utilities Tax

December 31, 2004 and December 31, 1997

December 31, 2003		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$16,887,260	59.34%
Ameritech	4,267,030	15.00
Ameritech Advanced	1,464,020	5.15
The East Ohio Gas Company	1,326,090	4.66
American Transmission System	994,390	3.49
New Par	294,390	1.03
AT & T Wireless	277,970	0.98
Sprint Communications, Inc.	264,110	0.93
Quest Communications	263,800	0.93
North Coast Gas Transmission	260,580	0.91
Total	\$26,299,640	92.42%
Total Public Utility Valuation	\$28,456,740	
December 31, 1996 (1)		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$24,028,160	53.07%
Ohio Bell Telephone Company	16,493,750	36.43
The East Ohio Gas Company	4,019,930	8.88
MCI Telecommunications Corporation	335,150	0.74
Total	\$44,876,990	99.12%
Total Public Utility Valuation	\$45,276,990	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) Information prior to 1996 is not available.

Brecksville-Broadview Heights City School District

Computation of Direct and Overlapping

General Obligation Bonded Debt

June 30, 2005

	<u>General Obligation Bonded Debt Outstanding</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>\$29,774,169</u>	<u>100.00%</u>	<u>\$29,774,169</u>
Overlapping:			
Regional Transit Authority	147,025,000	3.18	4,675,395
Cuyahoga County	249,645,029	3.18	7,938,712
Brecksville City	10,027,433	59.01	5,917,188
Broadview Heights City	5,413,428	39.84	2,156,710
North Royalton City	<u>8,107,000</u>	1.14	<u>92,420</u>
Total Overlapping	<u>420,217,890</u>		<u>20,780,425</u>
Total	<u>\$449,992,059</u>		<u>\$50,554,594</u>

Source: Office of the Auditor, Cuyahoga County, Ohio

Brecksville-Broadview Heights City School District
Ratio of 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
1996	26,283	\$1,840,977,864	\$37,075,000	2.01%	\$1,411
1997	26,677	1,886,469,555	37,075,000	1.97	1,390
1998	27,078	2,085,839,090	36,355,000	1.74	1,343
1999	28,432	2,145,194,714	36,020,000	1.68	1,267
2000	28,858	2,146,920,214	34,455,000	1.60	1,194
2001	29,349	2,430,191,735	33,505,000	1.38	1,142
2002	29,762	2,500,151,161	32,804,500	1.31	1,102
2003	30,179	2,552,744,209	31,836,817	1.25	1,055
2004	30,486	2,718,158,058	30,828,317	1.13	1,011
2005	30,708	2,791,247,830	29,774,169	1.07	970

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
\$73,075,000	3.97%	\$2,780
37,075,000	1.97	1,390
36,355,000	1.74	1,343
36,020,000	1.68	1,267
34,780,000	1.62	1,205
36,005,000	1.48	1,227
37,154,445	1.49	1,248
35,039,510	1.37	1,161
34,683,875	1.28	1,138
32,188,055	1.15	1,048

Brecksville-Broadview Heights City School District

Computation of Legal Debt Margin

Last Eight Fiscal Years (1)

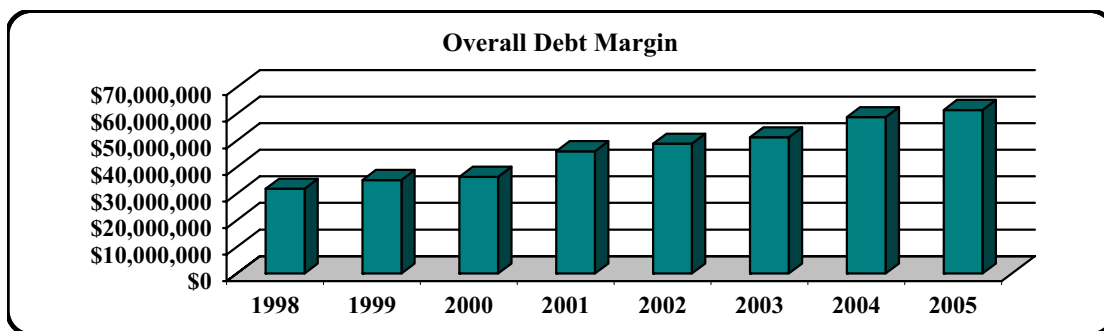
	1998	1999	2000
Assessed Valuation	<u>\$737,793,207</u>	<u>\$759,951,942</u>	<u>\$759,867,111</u>
Debt Limit - 9% of Assessed Value (2)	\$66,401,389	\$68,395,675	\$68,388,040
Amount of Debt Outstanding			
General Obligation Bonds	36,355,000	36,020,000	34,455,000
Tax Anticipation Note	0	0	0
Energy Conservation Note	0	0	0
Less Amount Available in Debt Service	<u>(1,914,163)</u>	<u>(650,000)</u>	<u>(2,192,896)</u>
Total	34,440,837	35,370,000	32,262,104
Exemptions:			
Tax Anticipation Note	0	(2,220,376)	(325,000)
Energy Conservation Note	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>34,440,837</u>	<u>33,149,624</u>	<u>31,937,104</u>
Overall Debt Margin	<u>\$31,960,552</u>	<u>\$35,246,051</u>	<u>\$36,450,936</u>
Legal Debt Margin as a Percentage of Debt Limit	48.13%	51.53%	53.30%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$737,793	\$759,952	\$759,867
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$737,793</u>	<u>\$759,952</u>	<u>\$759,867</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%

Source: Cuyahoga County Auditor and School District Financial Records

(1) Information prior to 1998 is not available

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

2001	2002	2003	2004	2005
<u>\$857,503,880</u>	<u>\$872,660,303</u>	<u>\$891,000,325</u>	<u>\$951,295,150</u>	<u>\$974,728,362</u>
\$77,175,349	\$78,539,427	\$80,190,029	\$85,616,564	\$87,725,553
33,505,000	32,804,500	31,836,817	30,828,317	29,774,169
2,500,000	2,500,000	1,700,000	865,000	0
0	1,270,000	998,000	773,000	513,000
<u>(2,410,550)</u>	<u>(3,170,120)</u>	<u>(2,959,465)</u>	<u>(4,113,548)</u>	<u>(3,872,231)</u>
33,594,450	33,404,380	31,575,352	28,352,769	26,414,938
(2,500,000)	(2,500,000)	(1,700,000)	(865,000)	0
<u>0</u>	<u>(1,270,000)</u>	<u>(998,000)</u>	<u>(773,000)</u>	<u>(513,000)</u>
31,094,450	29,634,380	28,877,352	26,714,769	25,901,938
<u>\$46,080,899</u>	<u>\$48,905,047</u>	<u>\$51,312,677</u>	<u>\$58,901,795</u>	<u>\$61,823,615</u>
59.71%	62.27%	63.99%	68.80%	70.47%
\$857,504	\$872,660	\$891,000	\$951,295	\$974,728
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$857,504</u>	<u>\$872,660</u>	<u>\$891,000</u>	<u>\$951,295</u>	<u>\$974,728</u>
100.00%	100.00%	100.00%	100.00%	100.00%



Brecksville-Broadview Heights City School District

Demographic and Economic Statistics

Last Six Years (1)

<u>Year</u>	<u>Estimated Population</u>	<u>Total Personal Income</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income</u>	<u>Median Age</u>
2000	28,858	\$970,754,262	\$33,639	\$66,574	41.65
2001	29,349	987,271,011	33,639	66,574	41.65
2002	29,762	1,001,163,918	33,639	66,574	41.65
2003	30,179	1,015,191,381	33,639	66,574	41.65
2004	30,486	1,025,518,554	33,639	66,574	41.65
2005	30,708	1,032,986,412	33,639	66,574	41.65

Source 2000 U.S. Census Bureau

Median Value of Residential Property	Cuyahoga County Unemployment Rate	Total Assessed Property Value
\$196,850	4.5%	\$759,867,111
196,850	4.5	857,503,880
196,850	4.6	872,660,303
196,850	6.7	891,000,325
196,850	6.6	951,295,150
196,850	5.9	974,728,362

Brecksville-Broadview Heights City School District

Principal Employers

December 31, 2004 and December 31, 1995

2004

Employer	City	Nature of Business or Activity	Number of Employees
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	279
Ohio Machinery Company	Broadview Heights	Construction Equipment Sales	244
Andrews Moving & Storage Co.	Brecksville	Moving and Storage	183
Framatome Connectors-Interlock	Brecksville	Electrical Terminals	173
Classic Video	Broadview Heights	Video Productions	150
Total			<u>5,046</u>
Total Employment within the School District			<u>n/a</u>

1995

Employer	City	Nature of Business or Activity	Number of Employees
Department of Veteran Affairs	Brecksville	Medical Center	1,126
Ameritech Services	Brecksville	Communication Services	805
Noveon, Inc.	Brecksville	Headquarters for a chemical firm	800
Brecksville-Broadview Heights Board of Education	Brecksville/ Broadview Heights	Public Education	516
Andrews Moving & Storage Co.	Brecksville	Moving and Storage	285
Norstan Company	Brecksville	Communication Services	250
Bank One	Brecksville	Banking Services	250
City of Broadview Heights	Broadview Heights	Municipal Government	199
City of Brecksville	Brecksville	Municipal Government	191
Ohio Machinery Company	Broadview Heights	Construction Equipment Sales	127
Total			<u>4,549</u>
Total Employment within the School District			<u>n/a</u>

Source: Cities of Brecksville and Broadview Heights, Ohio

n/a - Information not available

Brecksville-Broadview Heights City School District

Building Statistics by Function/Program

Last Two Fiscal Years

	<u>2004</u>	<u>2005</u>
Chippewa Elementary School		
Constructed in 1962		
Total Building Square Footage	40,600	40,600
Media Center Square Footage	2,535	2,535
Cafeteria and Gymnasium Square Footage	2,535	2,535
Enrollment Grades K - 3	418	389
Student Capacity	325	325
Regular Instruction Classrooms	17	17
Regular Instruction Teachers	22	21
Special Instruction Classrooms	3	3
Special Instruction Teachers	3	3
Highland Drive Elementary School		
Constructed in 1953		
Total Building Square Footage	44,000	44,000
Media Center Square Footage	840	840
Cafeteria and Gymnasium Square Footage	3,200	3,200
Enrollment Grades K - 3	364	349
Student Capacity	350	350
Regular Instruction Classrooms	16	16
Regular Instruction Teachers	22	22
Special Instruction Classrooms	6	6
Special Instruction Teachers	6	6
Hilton Elementary School		
Constructed in 1967		
Total Building Square Footage	43,000	43,000
Media Center Square Footage	1,200	1,200
Cafeteria and Gymnasium Square Footage	2,700	2,700
Kitchen Square Footage	1,100	1,100
Enrollment Grades K - 3	488	485
Student Capacity	348	348
Regular Instruction Classrooms	18	18
Regular Instruction Teachers	24	24
Special Instruction Classrooms	1	1
Special Instruction Teachers	2	2

(continued)

Brecksville-Broadview Heights City School District

Building Statistics by Function/Program (continued)

Last Two Fiscal Years

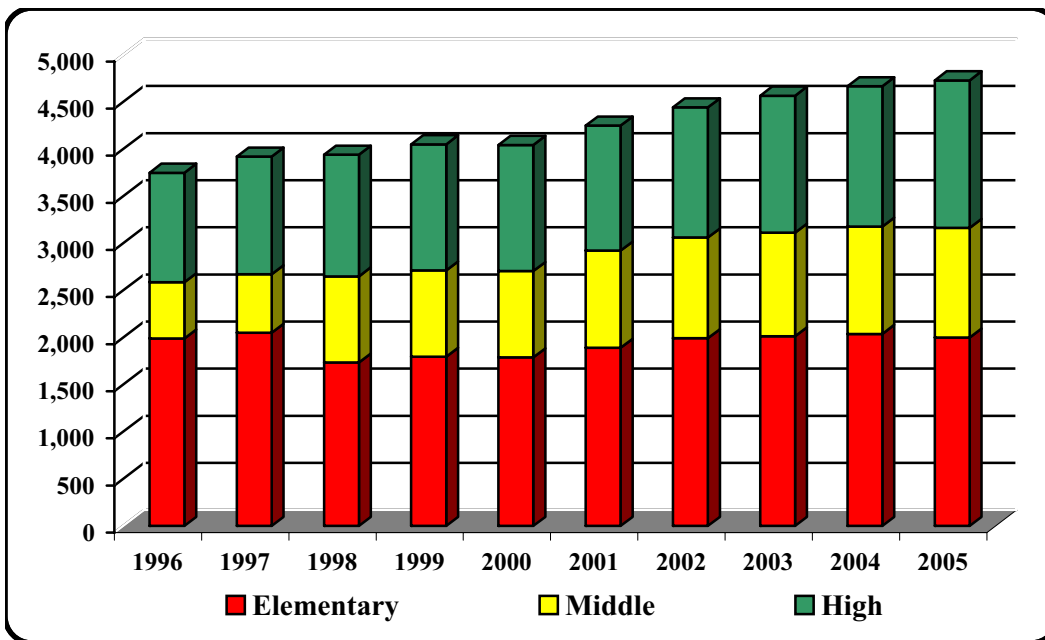
	<u>2004</u>	<u>2005</u>
Central School		
Constructed in 1915		
Additions in 1929, 1950, 1964, 1981		
Total Building Square Footage	73,400	73,400
Media Center Square Footage	2,800	2,800
Cafeteria Square Footage	2,230	2,230
Gymnasiums (2) Square Footage	6,600	6,600
Enrollment Grades 4 and 5	733	738
Student Capacity	590	590
Regular Instruction Classrooms	27	27
Regular Instruction Teachers	41	43
Special Instruction Classrooms	3	3
Special Instruction Teachers	7	6
Middle School		
Constructed in 1960		
Additions in 1965, 1971, 1986		
Total Building Square Footage	176,750	176,750
Auditorium Square Footage	15,200	15,200
Media Center Square Footage	5,000	5,000
Cafeteria Square Footage	7,800	7,800
Gymnasium Square Footage	10,000	10,000
Enrollment Grades 6 - 8	1,138	1,164
Enrollment Preschool	34	37
Student Capacity	1,219	1,219
Regular Instruction Classrooms	48	49
Regular Instruction Teachers	60	61
Special Instruction Classrooms	4	4
Special Instruction Teachers	10	11
High School		
Constructed in 1997		
Total Building Square Footage	299,800	299,800
Auditorium Square Footage	16,000	16,000
Media Center Square Footage	51,000	51,000
Kitchen and Cafeteria Square Footage	14,500	14,500
Gymnasiums (2) Square Footage	21,700	21,700
Enrollment - Grades 9 - 12	1,491	1,566
Student Capacity	1,817	1,817
Regular Instruction Classrooms	66	66
Regular Instruction Teachers	80	80
Special Instruction Classrooms	7	7
Special Instruction Teachers	8	8
Vocational Instruction Classrooms	4	4
Vocational Instruction Teachers	3	3

Brecksville-Broadview Heights City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
1996	1,988	597	1,162	3,747
1997	2,050	621	1,249	3,920
1998 (1)	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
2005	1,998	1,164	1,566	4,728



Source: Brecksville-Broadview Heights City School Records

- (1) 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

Per Pupil Cost

Last Ten Fiscal Years

Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
1996	3,747	2.38 %	\$31,524,123	\$8,413
1997	3,920	4.62	43,459,331	11,087
1998	3,938	0.46	33,502,998	8,508
1999	4,049	2.82	28,780,537	7,108
2000	4,108	1.46	31,503,027	7,669
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
2005	4,728	1.33	44,500,911	9,412

(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
38,127,574	8,978
39,751,343	8,953
43,773,558	9,589
45,960,429	9,850
46,721,610	9,882

Brecksville-Broadview Heights City School District

Attendance and Graduation Rates

Last Eight Fiscal Years

<u>Fiscal Year</u>	<u>Brecksville- Broadview Heights Attendance Rate</u>	<u>State Average</u>	<u>Brecksville- Broadview Heights Graduation Rate</u>	<u>State Average</u>
1998	96.30%	93.90%	96.30%	79.90%
1999	96.10	93.50	96.10	81.40
2000	95.70	93.60	95.10	80.70
2001	96.00	93.90	95.00	81.20
2002	95.90	94.30	98.30	82.80
2003	95.70	94.50	98.30	83.90
2004	95.90	94.50	95.40	84.30
2005	95.80	94.30	97.70	85.90

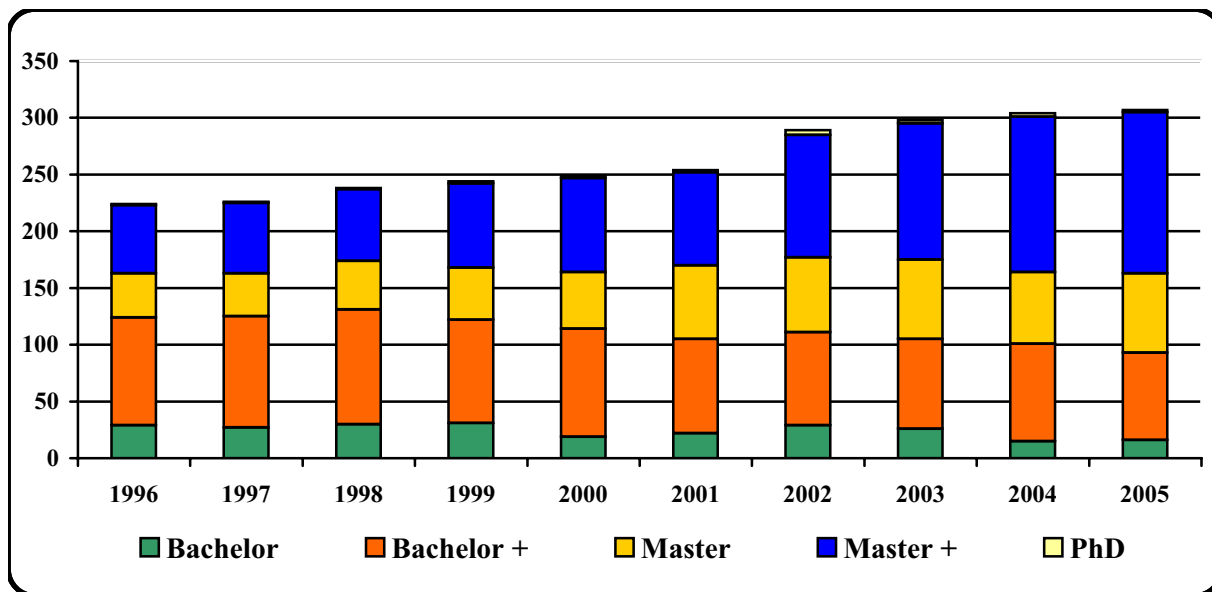
Source: Ohio Department of Education Local Report Cards

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

Function/Program	2001	2002	2003	2004	2005
Regular Instruction					
Elementary Classroom Teachers	72	85	85	89	89
Middle School Classroom Teachers	53	57	59	60	61
High School Classroom Teachers	76	76	81	83	80
Special Instruction					
Preschool Teachers	2	3	3	3	3
Elementary Classroom Teachers	8	9	15	17	17
Gifted Education Teachers	2	3	3	3	1
Middle School Classroom Teachers	6	7	8	10	11
High School Classroom Teachers	5	7	7	8	8
Vocational Instruction					
High School Classroom Teachers	3	3	3	3	3
Pupil Support Services					
Guidance Counselors	8	11	12	12	12
Librarians	1	1	1	1	1
Psychologists	6	6	7	5	5
Speech & Language Pathologists	9	10	8	8	8
Nurse	1	1	1	1	1
Administrators					
Elementary	4.5	4.5	4.5	5	5
Middle School	2.5	2	2.5	2.5	2.5
High School	3.5	3.5	3.5	3.5	3.5
Districtwide	11	12	12	12	12
Operation of Plant					
Custodians	29	33	36	35	36
Maintenance	4	6	6	6	6
Pupil Transportation					
Bus Drivers	42	42	43	44	44
Bus Aides	3	6	10	8	9
Mechanics	3	3	3	3	3
Food Service Program					
Elementary Cooks	18	18	18	18	14
Middle School Cooks	10	11	11	11	10
High School Cooks	18	18	18	17	11

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

Degree	1996	1997	1998	1999	2000
Bachelor	29	27	30	31	19
Bachelor +9	23	24	26	22	22
Bachelor +18	26	25	26	23	28
Bachelor +30	46	49	49	46	45
Master	39	38	43	46	50
Master +9	16	14	17	24	25
Master +18	16	16	12	13	18
Master +30	9	12	18	17	17
Master +42	19	20	16	20	23
PhD	1	1	1	2	2
Total	224	226	238	244	249



Source: School District Records

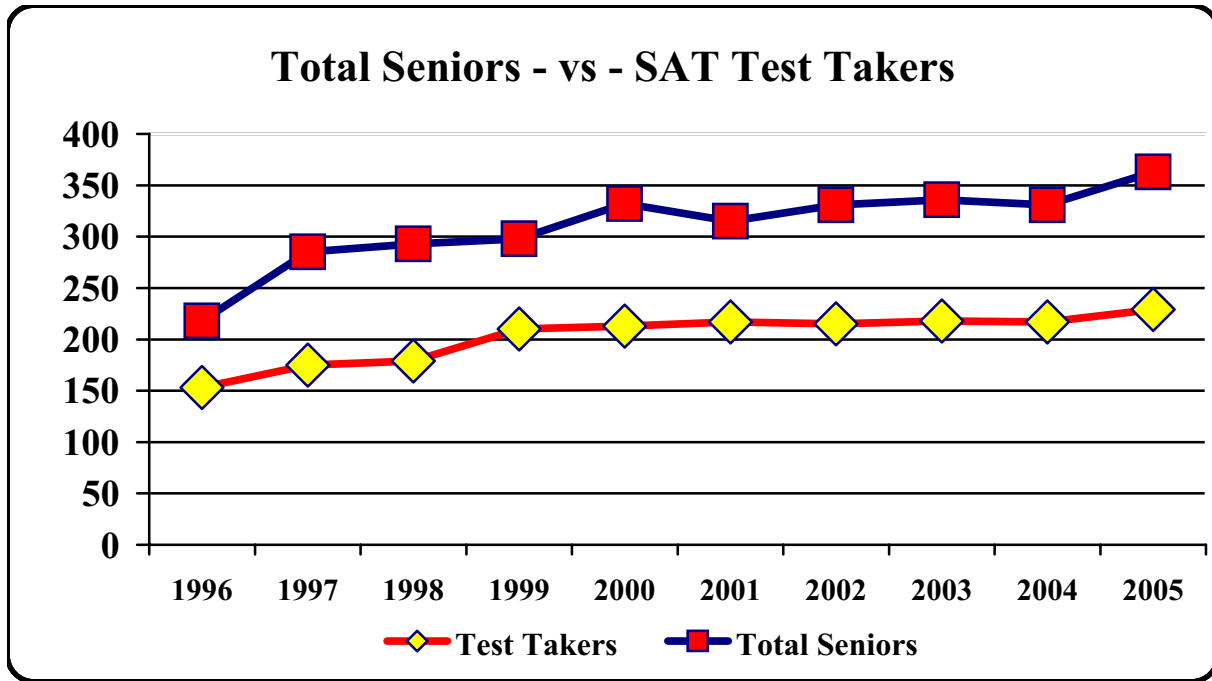
2001	2002	2003	2004	2005
22	29	26	15	16
19	23	24	19	17
23	22	13	26	23
41	37	42	41	37
65	66	70	63	70
25	31	31	36	38
21	30	38	38	32
13	13	11	19	27
23	34	40	44	45
2	4	3	3	2
254	289	298	304	307

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
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
2005	229	363	63.09	554	539	508



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

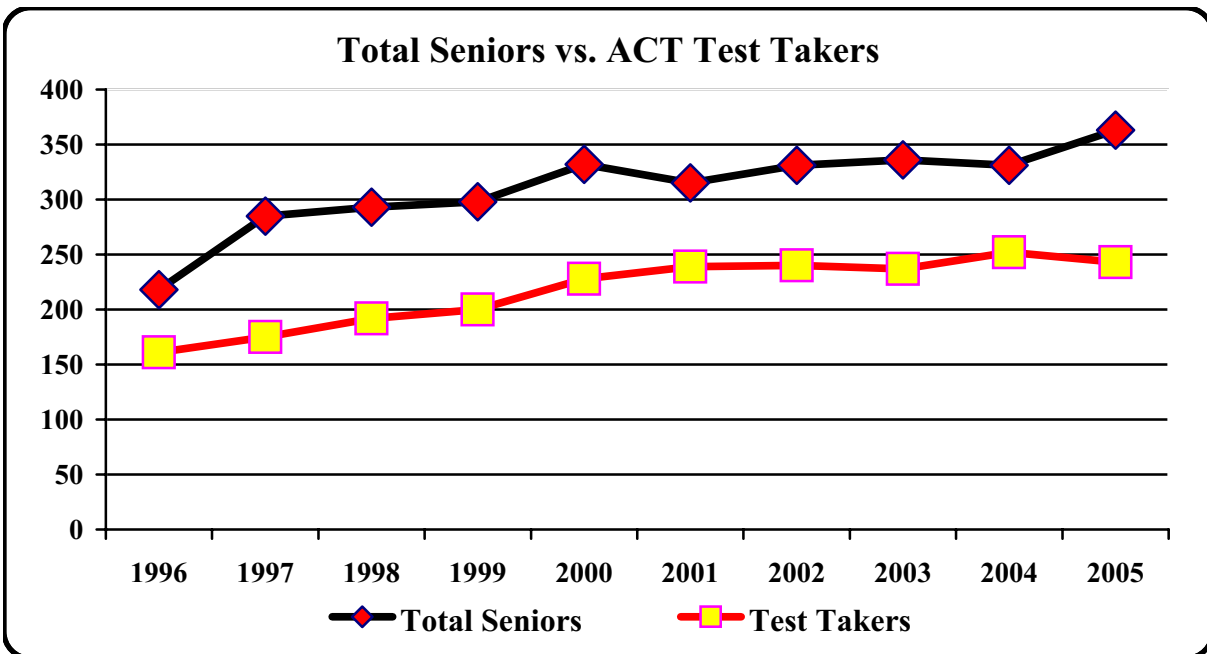
Brecksville- Broadview Heights Math	Ohio Math	National Math
539	535	508
548	536	511
554	540	512
558	538	511
548	539	514
552	539	514
544	540	516
560	541	519
565	542	518
563	543	520

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
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
2005	243	363	66.94	24.4	21.4	20.9



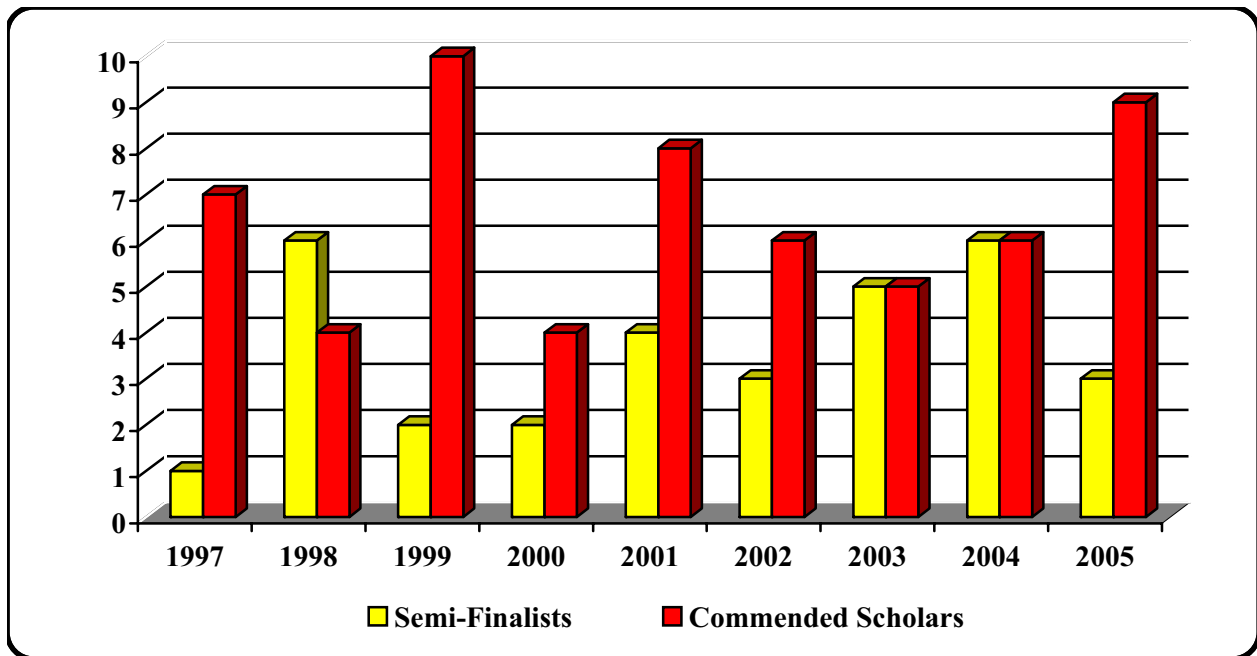
Source: High School Guidance Office,
Brecksville-Broadview Heights City School District

Brecksville-Broadview Heights City School District

National Merit Scholarship Program

Last Nine 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
2005	3	9	12



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

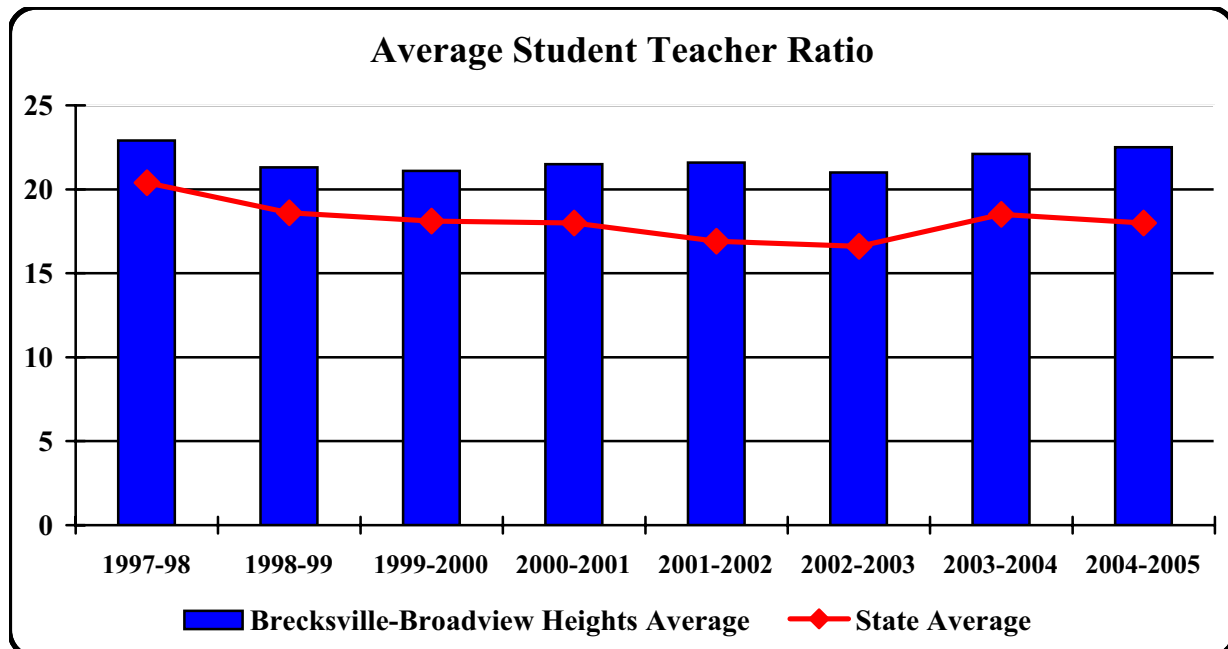
Brecksville-Broadview Heights City School District

Average Number of Students per Teacher

Last Eight School Years

School Year	Brecksville- Broadview Heights Average	State Average
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
2004 - 2005	22.5	18.0

Source: Ohio Department of Education, EMIS Reports



Brecksville-Broadview Heights City School District

Teacher Education and Experience

June 30, 2005

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	16	5.21%
Bachelor + 9	17	5.54
Bachelor + 18	23	7.49
Bachelor + 30	37	12.05
Master	70	22.82
Master + 9	38	12.38
Master + 18	32	10.42
Master + 30	27	8.79
Master + 42	45	14.66
PhD	<u>2</u>	<u>0.65</u>
Total	<u><u>307</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	67	21.82%
6 - 10	86	28.01
11 and Over	<u>154</u>	<u>50.16</u>
	<u><u>307</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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>
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
2004	381	107,271,381	97,234,677	877,378,830

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
\$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
29,438,450	44,476,870	951,294,150

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*

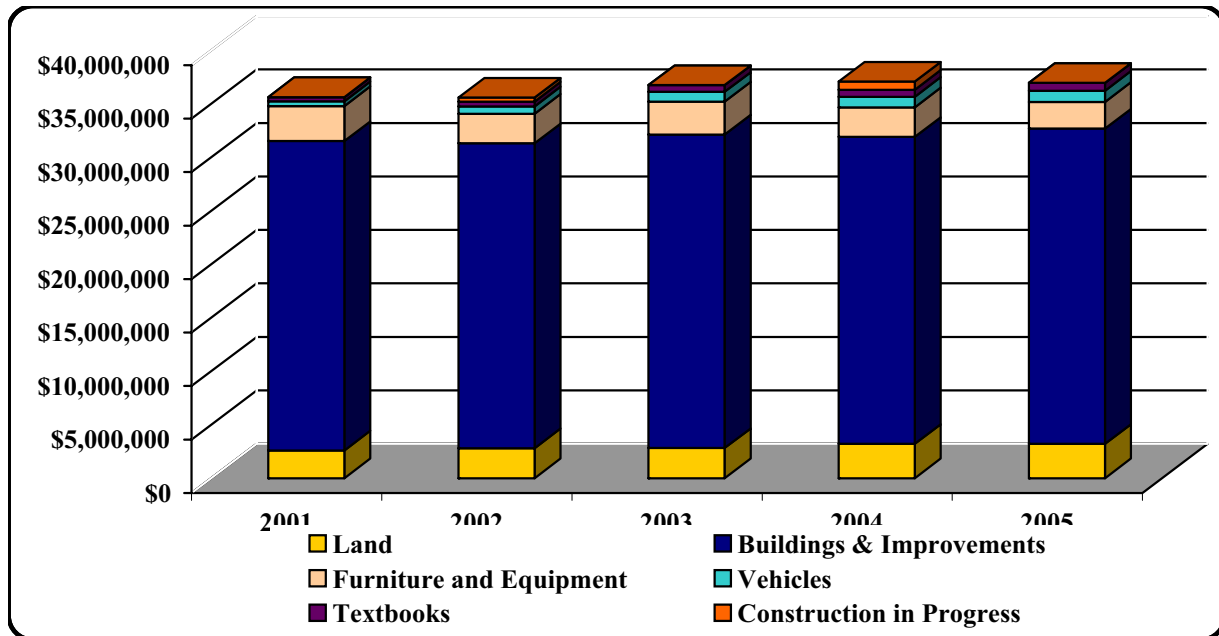
Fiscal Years	Total Principal and Interest (1)	Total General Governmental Expenditures (2)	Ratio of General Obligation Bond Debt Service to Total General Governmental Expenditures
1996	\$38,293,319	\$69,814,023	54.85%
1997	40,364,932	83,824,000	48.15
1998	2,830,221	36,330,299	7.79
1999	2,913,649	31,694,186	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
2005	2,827,804	47,784,269	5.92

- 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 2005 reported on a modified accrual basis.

Brecksville-Broadview Heights City School District

*Capital Assets
Last Four Fiscal Years*

	2001	2002	2003	2004	2005
Capital Assets:					
Land	\$2,606,564	\$2,815,407	\$2,830,407	\$3,209,781	\$3,209,781
Buildings and Improvements	28,918,529	28,506,393	29,304,573	28,703,925	29,478,421
Furniture and Equipment	3,275,249	2,754,652	3,081,257	2,770,766	2,500,848
Vehicles	446,042	693,238	910,713	984,299	1,044,686
Textbooks	383,334	454,730	622,364	653,588	730,911
Construction in Progress	0	362,526	0	767,975	0
Total Capital Assets	<u>\$35,629,718</u>	<u>\$35,586,946</u>	<u>\$36,749,314</u>	<u>\$37,090,334</u>	<u>\$36,964,647</u>



Brecksville-Broadview Heights City School District
Outstanding Debt by Type
Last Ten Years

Year	General Obligation Bonds	Capital Leases	Bond Anticipation Notes	Total Debt	Percentage of Personal Income	Per Capita
1996	\$37,075,000	\$0	\$36,000,000	\$73,075,000	n/a	\$2,780.31
1997	37,075,000	0	0	37,075,000	n/a	1,389.77
1998	36,355,000	0	0	36,355,000	n/a	1,342.60
1999	35,370,000	0	650,000	36,020,000	n/a	1,266.88
2000	34,455,000	0	325,000	34,780,000	3.58%	1,205.21
2001	33,505,000	0	2,500,000	36,005,000	3.65	1,226.79
2002	32,804,500	579,945	3,770,000	37,154,445	3.71	1,248.39
2003	31,836,817	504,693	2,698,000	35,039,510	3.45	1,161.06
2004	30,828,317	2,217,558	1,638,000	34,683,875	3.38	1,137.70
2005	29,774,169	1,900,886	513,000	32,188,055	3.12	1,048.20

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

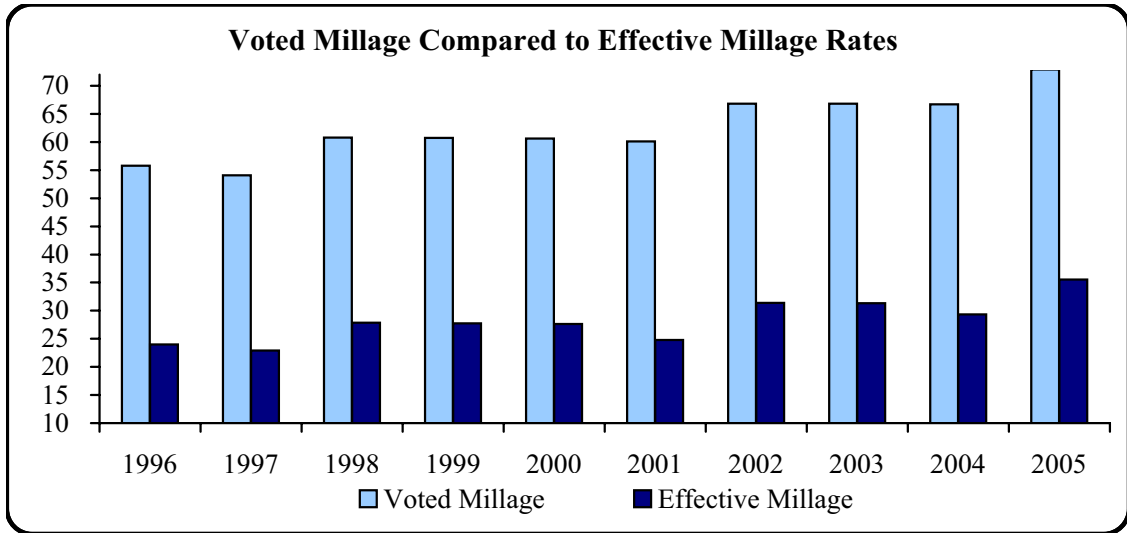
Collection Year	School Levy					Brecksville City
	Inside Millage (Unvoted)	Voted Millage			Total School Levy	
	Operating	Operating	Debt	Permanent Improvement		
1996	4.69	49.75	5.16	0.90	60.50	\$8.80
1997	4.69	49.75	4.36	0.00	58.80	8.80
1998	4.69	55.55	4.26	1.00	65.50	8.80
1999	4.69	55.55	4.16	1.00	65.40	8.80
2000	4.69	55.55	4.06	1.00	65.30	8.70
2001	4.69	55.55	3.56	1.00	64.80	8.70
2002	4.69	62.45	3.36	1.00	71.50	8.70
2003	4.69	62.45	3.36	1.00	71.50	8.80
2004	4.69	62.45	3.26	1.00	71.40	8.70
2005	4.69	67.75	3.16	2.00	77.60	8.70

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.

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.

Broadview Heights City	Cuyahoga County (and Others)	Cuyahoga Valley Career Center	Total Brecksville	Total Broadview Heights
\$8.40	\$18.00	\$2.00	\$89.30	\$88.90
9.40	18.00	2.00	87.60	88.20
9.40	18.00	2.00	94.30	94.90
9.40	18.00	2.00	94.20	94.80
9.40	16.70	2.00	92.70	93.40
9.40	17.60	2.00	93.10	93.80
9.40	17.60	2.00	99.80	100.50
9.40	17.60	2.00	99.90	100.50
9.40	19.40	2.00	101.50	102.20
9.40	20.30	2.00	108.60	109.30





**Auditor of State
Betty Montgomery**

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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, 2005**