



**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2004



**Auditor of State
Betty Montgomery**

MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U. S. Department of Agriculture						
<i>Passed Through the Ohio Department of Education, Nutrition Cluster:</i>						
Food Distribution	N/A	10.550	\$0	\$93,437	\$0	\$101,139
National School Lunch Program	LL-P4-04	10.555	598,436	0	598,436	0
National School Breakfast Program	05-PU 04	10.553	102,796	0	102,797	0
Total U. S. Department of Agriculture - Nutrition Cluster			<u>701,232</u>	<u>93,437</u>	<u>701,233</u>	<u>101,139</u>
U. S. Department of Education						
<i>Passed Through the Ohio Department of Education, Special Education Cluster:</i>						
Special Education Grants to States	6B-SF 04 P	84.027	337,036	0	402,661	0
Special Education Grants to States	6B-SF 03 P		457,564	0	390,139	0
Subtotal for CFDA 84.027			<u>794,600</u>	<u>0</u>	<u>792,800</u>	<u>0</u>
Special Education - Pre-School	PG-S1 04 P	84.173	27,726	0	3,150	0
Special Education - Pre-School	PG-S1 03 P		(4,994)	0	25,524	0
Total Special Education - Pre-School			<u>22,732</u>	<u>0</u>	<u>28,674</u>	<u>0</u>
Total Special Education Cluster			<u>817,332</u>	<u>0</u>	<u>821,474</u>	<u>0</u>
Alternative School Community Service	T4-S1 04	84.184C	2,314	0	2,314	0
Title I Grants to Local Education Agencies	C1-S1 04	84.010	523,921	0	306,999	0
Title I Grants to Local Education Agencies	C1-S1 03		5,828	0	10,837	0
Total Title I Grants to Local Education Agencies			<u>529,749</u>	<u>0</u>	<u>317,836</u>	<u>0</u>
Innovative Educational Program Strategies	C2-S1 04	84.298	1,627	0	106	0
Innovative Educational Program Strategies	C2-S1 03		4,508	0	14,392	0
Total Innovative Educational Program Strategies			<u>6,135</u>	<u>0</u>	<u>14,498</u>	<u>0</u>
Safe and Drug Free Schools	DR-S1 04	84.186	2,418	0	0	0
Continuous Improvement	G2-S2 01	84.276	(21,002)	0	7,440	0
Assistive Technology Infusion	ATS3 02	84.352A	2,383	0	3,559	0
Improving Teacher Quality	TRS1 04	84.367	20,361	0	31,017	0
Comprehensive School Reform	RF-S2 04	84.332	60,145	0	60,145	0
Comprehensive School Reform	RF-S2 03		10,692	0	35,068	0
Total Comprehensive School Reform			<u>70,837</u>	<u>0</u>	<u>95,213</u>	<u>0</u>
Enhancing Education	TJ-SL 04	84.318	3,559	0	0	0
Enhancing Education	TJ-SL 03		333,859	0	257,832	0
Total Enhancing Education			<u>337,418</u>	<u>0</u>	<u>257,832</u>	<u>0</u>
<i>Passed Through Bedford City School District</i>						
Vocational Ed. Basic Grants to States	043562-20 C1-04	84.048	64,258	0	62,973	0
Vocational Ed. Basic Grants to States	C1-03		29,747	0	1,296	0
Total Vocational Ed. Basic Grants to States			<u>94,005</u>	<u>0</u>	<u>64,269</u>	<u>0</u>
Total U. S. Department of Education			<u>1,861,950</u>	<u>0</u>	<u>1,615,452</u>	<u>0</u>
U. S. Department of Health and Human Services						
<i>Passed Through Cuyahoga County Department of Mental Health</i>						
Title XIX - Medicaid Medical Assistance Program	N/A	93.778	62,675	0	62,675	0
Total Federal Assistance			<u>\$2,625,857</u>	<u>\$93,437</u>	<u>\$2,379,360</u>	<u>\$101,139</u>

See Notes to the Schedule of Federal Awards Expenditures.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

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—CHILD NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants and local monies. It is assumed federal monies are expended first.

NOTE C – NEGATIVE RECEIPTS

The negative receipts shown for the Special Education - Pre-School, CFDA #84.173, in the amount of \$4,994 and the Continuous Improvement, CFDA #84.276, in the amount of \$21,002, represent amounts that were transferred or refunded to the State due to expiration of the period of availability.

CFDA – Catalog of Federal Domestic Assistance



Auditor of State Betty Montgomery

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

Board of Education
Maple Heights City School District
Cuyahoga County
14605 Granger Road
Maple Heights, Ohio 44137

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Maple Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2004-001. We also noted certain immaterial instances of noncompliance that we have reported to the District's management in a separate letter dated December 17, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the District's management in a separate letter dated December 17, 2004.

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Maple Heights City School District
Cuyahoga County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

December 17, 2004



Auditor of State Betty Montgomery

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

Board of Education
Maple Heights City School District
Cuyahoga County
14605 Granger Road
Maple Heights, Ohio 44137

Compliance

We have audited the compliance of the Maple Heights City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the Maple Heights City School District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 17, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards and receipts expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 17, 2004

**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: CFDA #84.027 – Special Education Grants to State, CFDA #84.173 – Special Education – Preschool. CFDA #84.010 – Title 1
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

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

Finding Number	2004-001
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Expenditures Exceeded Appropriations

Ohio Rev. Code Section 5705.41(B) & (D) prohibits a subdivision or taxing unit from making expenditures unless it has been properly appropriated. Budgetary expenditures (that is, disbursements and encumbrances) as enacted by the Board of Education may not exceed appropriations at the legal level for all funds. The following funds had expenditures in excess of appropriations and expenditures plus encumbrances in excess of appropriations as of June 30, 2004:

<u>Fund</u>	<u>Total Appropriations</u>	<u>Total Expenditures Plus Encumbrances</u>	<u>Excess</u>
Summer School Subsidy	\$37,592	\$53,415	(\$15,823)
Title 1	427,436	555,886	(128,450)

We recommend the District verify that all expenditures and encumbrances have proper appropriation authority prior to expending funds or certifying encumbrances and compare appropriations to expenditures plus encumbrances in all funds which are legally required to be budgeted, at the legal level of control (fund level), to maintain compliance with the above requirements.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

Maple Heights City School District
Maple Heights, Ohio

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

Prepared by

Treasurer's Office
Christopher D. Krause
Treasurer

Maple Heights City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
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Maple Heights Board of Education

14605 Granger Road, Maple Heights, Ohio 44137 (216) 587-6100

Lori Chick, President
Darryl L. Kirkpatrick, Vice President
Michelle L. Holmes, Santina M. Klimkowski, Michael A. White

Dr. Charles T. Keenan, Superintendent
Christopher D. Krause, Treasurer

December 17, 2004

Board of Education Members and
Residents of Maple Heights City School District;

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Maple Heights City School District for the fiscal year ended June 30, 2004. This CAFR includes an opinion from the Auditor of State and 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 the Maple Heights City School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies of this report will be made available to the Maple Heights Public Library, major taxpayers, financial rating services and other interested parties.

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

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District and a Government Finance Officers Association Certificate of Achievement.
2. The Financial Section, which begins with the Independent Accountant's Report, and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents social and economic data, financial trends and the fiscal capacity of the Maple Heights City School District.

School District Organization

The Maple Heights City School District is one of 612 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District provides education to 3,721 students in grades kindergarten through twelfth. Additionally, the School District provides pre-school, extended day kindergarten and other services to a large number of students. Maple Heights City Schools is located in Northeastern Ohio approximately thirteen miles southeast of the City of Cleveland. The Maple Heights City School District encompasses the entire City of Maple Heights. The School District was originally part of Bedford Township. The U. S. Census in 1923, revealed that Maple Heights was populous enough to be legally separated from the County School System and be classified by the State of Ohio as an

exempted village school district. The first Maple Heights Board of Education was organized in 1924 during which, forty-five students began their high school studies in the old town hall. By 1928, school officials recognized the need for a larger high school. Clement Drive Elementary School which had opened in 1925, was selected to be the site of the high school which opened in 1931. By 1930, the population of Maple Heights had reached 5,950. Four public schools were in operation with an enrollment of 1,188 pupils and a staff of forty teachers. What was once Maple Grove School dedicated in 1933, is now known as Granger School which presently serves as the District's Administration Building. Presently, there are six schools in the District, one high school, one middle school and four elementary schools.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide educational services authorized by charter and further mandated by State and Federal agencies. The Board of Education is made up of five members elected at large.

Reporting Entity

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

The City of Maple Heights, the Maple Heights Public Library, and the Parent Teacher Organizations have not been included in the accompanying financial statements. The boards are not appointed by the School District, nor are they fiscally dependent on the School District.

The Lakeshore Northeast Ohio Computer Association and the Ohio Schools Council Association are jointly governed organizations whose relationship to the school district is described in Note 16 to the basic financial statements.

Economic Outlook

The Maple Heights City School District is located in a mature community that is served by diversified transportation facilities with immediate access to I-480 and I-271. The School District has a long history of managing its finances in a prudent manner. It has done so despite the significant challenges involved in being located in a mature, primarily residential community with a changing local economy and transitional workforce.

As a result of land limitations, and consolidation and merger activity in the food and beverage industry, the School District has experienced the departure of some taxpaying businesses. In addition there is limited growth in new residential housing. In an effort to counter these conditions, the City of Maple Heights has actively recruited new businesses and has been successful in its efforts. The City has added new business in both the manufacturing and retail sectors, which will have a stabilizing effect on future tax collections.

School District enrollment has increased despite limited growth in new housing. The 2003-2004 enrollment of 3,721 students reflects an increase of 87 students compared with the 1993-1994 school year. Enrollment is projected to increase to approximately 4,000 students over the next five years.

Major Initiatives

The Maple Heights City School's Strategic Plan was adopted by the Board of Education on March 23, 1995. A mission statement, beliefs, objectives and strategies were approved as part of the planning process. The strategic plan is for five years and is updated annually. The District Leadership Team,

comprised of staff members, parents and administrators is responsible for maintaining and implementing the strategic plan. District Leadership is currently meeting to identify focus areas for the next year.

The topics identified in the Strategic Plan included Technology, Client Learning, Staff Development, Extra Mural Funding, Facilities and, Cooperation, Collaboration, Communication. Each of these areas are deemed to be important in providing District students with the proper tools and learning environment necessary to succeed as they integrate into society as adults. An especially important area, Curriculum, is constantly reviewed to match student needs at new educational levels. This is accomplished through team teaching and coordination to maximize appropriate programming and personnel.

Other major initiatives included:

1. Continuous Improvement Plan, Implementation and Audit.
2. School Improvement Plan (All District Buildings).
3. Extended Learning Opportunity.
4. Summer School for Reading.
5. Alternative School.
6. Student Intervention.
7. Teacher Professional Development Training.
8. Alignment of Ohio Proficiency Test Curriculum.

Financial Information

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 Maple Heights City Schools. In May 2000, the Ohio Supreme Court reviewed the State's efforts since 1997, and indicated the State had not met the constitutional requirements. However, recent efforts by the Ohio Legislature and Governor have been considered constitutional by the Ohio Supreme Court if certain additional funding requirements are met. Maple Heights City School District will not see additional revenue as a result of this state funding system.

Primary Accomplishment for 2004 Were as Follows:

Financial

- Received the Certificate of Excellence in Financial Reporting from the Government Finance Officer's Association (GFOA), for the sixth consecutive year.
- Passage of an 8.5 mill operating levy in August 2003, generating approximately \$3.4 million in new tax revenue per fiscal year, beginning in January 2004.
- Renewal of an operating and permanent levy for continued funding.

Instruction

- Created additional educational programs, increased teaching staff to enable higher standards for student learning.
- Purchased new textbooks for various grade levels.

Community

- Continuously engages the community with regard to education programs.

For the Future

Our primary focus continued to be on the educational program. This program serves our students, parents, and community in an effort to continuously improve. This process involves assessing current programs, identifying areas to improve, developing options, selecting the best option and assessing the results.

Specific Goals for 2005 Are:

Financial

- Continue multi-year planning for capital projects, technology and maintenance to assure limited funds are used for the best instructional use through the Permanent Improvement Coordinating Committee.
- Receive the Certificate of Excellence in Financial Reporting for the School District's 2004 Comprehensive Annual Financial Report based on the new reporting model.
- Continue to carefully monitor and impact, where possible, the Ohio Supreme Court's decision regarding school funds and the legislative implementation of solutions.

Instruction

- Increase targets for proficiency test standards in grades 4, 6, 9, and third grade achievement.
- Assure new staff, over 25 members, are successful through the District staff development programs.
- Continue District energy savings projects and seek alternative funding for school building improvements.

Financial Information

Internal Accounting and Budgetary Control

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

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

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District adopts the permanent appropriation measure prior to October 1st. 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 supplementals or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled by the Board at the fund level. All purchase order requests must be approved by the site administrator, Assistant Superintendent or appropriate central office director 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. Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

The basis of accounting and the various funds utilized by Maple Heights City Schools 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 third 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.

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 Discussion and Analysis of the School District. This discussion follows the Independent Accountants' Report in the financial section of this report, providing an assessment of the School District's finances for 2004.

Cash Management

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government or the State of Ohio. Due to overall economic conditions, investment earnings have decreased dramatically due to lower interest rates. The program is beneficial because of access to daily balances which enables the Board to maintain minimum balance accounts and invest to the maximum extent.

Protection of the School District's deposits is provided by the federal deposit insurance corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

The School District provides employee hospital/medical insurance through fully insured based premium programs. Anthem, Blue Cross/Blue Shield and Kaiser Permanente administer the plans and review all claims.

All employees of Maple Heights City School District are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The School District contracts for general liability insurance with no deductible. The School District also carries a single occurrence \$1,000,000 limit for general liability with no deductible and automobile uninsured motorist liability which has a \$50,000 single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past ten years.

The School District participates in the State Workers' Compensation plan and pays a premium based on a rate per \$100 of salaries.

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 D. Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2004. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardized accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting for a Comprehensive Annual Financial Report to the Maple Heights City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe our current report conforms to the Certificate of Achievement requirements and we are submitting it to GFOA for consideration.

Acknowledgments

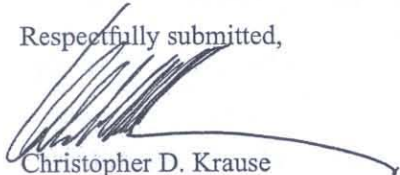
The publication of this report is a significant step toward professionalizing the Maple Heights City School District's financial reporting. It enhances the School District's accountability to the residents of the Maple Heights City School District.

The preparations of this report would not have been possible without the assistance and support of the staff of the Treasurer's Office, various administrators and staff members of the School District. Assistance from the County Auditor's staff and outside agencies made possible the fair presentation of statistical data.


Special appreciation is expressed to Local Government Services of the State Auditor's Office for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support for this project.

Respectfully submitted,



Christopher D. Krause
Treasurer



Dr. Charles T. Keenan
Superintendent

Maple Heights City School District
Principal Officials
June 30, 2004

Board of Education

Ms. Lori ChickPresident
Mr. Darryl L. KirkpatrickVice President
Ms. Michelle L. Holmes.Member
Mrs. Santana M. Klimkowski.....Member
Mr. Michael A. White.....Member

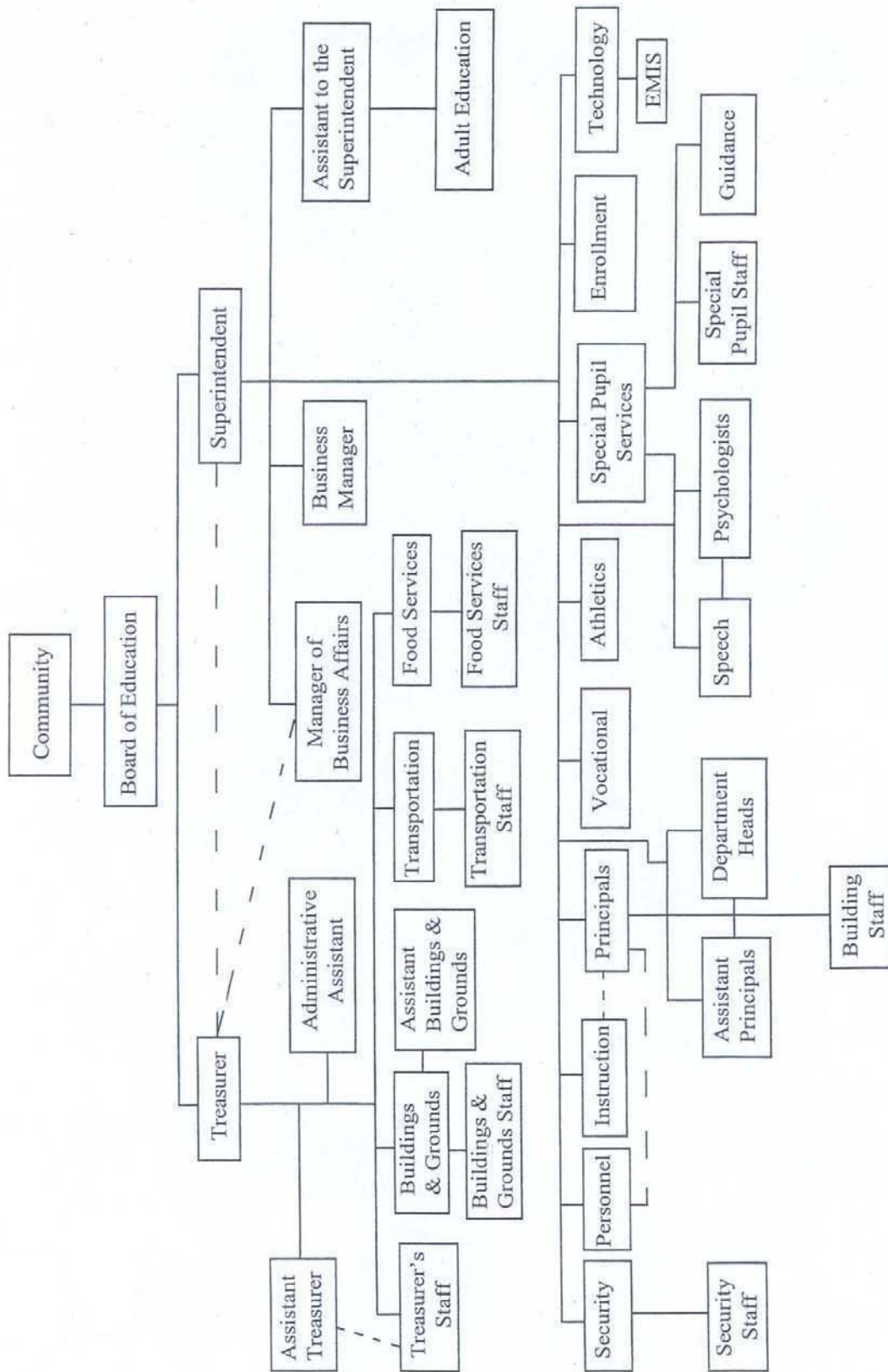
Treasurer

Mr. Christopher D. Krause

Superintendent

Dr. Charles T. Keenan

**Maple Heights City School District
Organizational Chart**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Maple Heights City
School District, Ohio

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

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



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emswiler".

Executive Director

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Board of Education
Maple Heights City School District
Cuyahoga County
14605 Granger Road
Maple Heights, Ohio 44137

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Maple Heights City School District, Cuyahoga County, Ohio, as of June 30, 2004, and the respective changes in financial position and the cash flows, where applicable, and the budgetary comparison for the General Fund thereof 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 December 17, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

December 17, 2004

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

The discussion and analysis of Maple Heights City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

Overall:

- Total net assets increased \$3.9 million, all of the increase in Governmental Activities.
- Outstanding debt increased to \$5.0 million from \$4.3 million in 2004.

Governmental Activities:

- Liabilities increased to \$24.1 million from \$21.3 million in 2003, while total assets increased by \$6.8 million.
- While total revenue increased from \$29.3 million in 2003 to \$37.8 million in 2004, program expenses increased from \$30.3 million to \$33.8 million.
- The increase in program expenses between 2003 and 2004 was a result of a two month teachers strike in 2003 and primarily occurred in Instruction.
- **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 Maple Heights City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Maple Heights City School District, the general fund is by far the most significant fund.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. Accrual 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.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. 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 building capital projects fund.

Governmental Funds. Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual, 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 difference) 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 1 provides a summary of the School District's net assets for fiscal year 2004 compared to fiscal year 2003:

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Table 1
Net Assets
Governmental Activities

	<u>2004</u>	<u>2003</u>
Assets		
Current and Other Assets	\$22,989,884	\$17,776,283
Capital Assets, Net	9,962,094	8,368,729
<i>Total Assets</i>	<u>32,951,978</u>	<u>26,145,012</u>
Liabilities		
Current and Other Liabilities	21,060,723	18,880,419
Long-Term Liabilities:		
Due Within One Year	818,304	888,207
Due in More than One Year	2,252,814	1,504,713
<i>Total Liabilities</i>	<u>24,131,841</u>	<u>21,273,339</u>
Net Assets		
Invested in Capital Assets, Net of Debt	4,980,407	4,050,729
Restricted:		
Capital Projects	513,195	362,107
Debt Service	533,237	408,103
Other Purposes	1,643,155	1,469,097
Unrestricted (Deficit)	1,150,143	(1,418,363)
<i>Total Net Assets</i>	<u>\$8,820,137</u>	<u>\$4,871,673</u>

Total assets increased by \$6.8 million. Taxes receivable totaled \$19.1 million, up from \$15.1 million last year due to the passage of a new levy; of this amount \$14.2 million is offset as deferred revenue, revenue to be used in future periods. Cash increased from \$1.7 million in 2003 to \$3.0 million in 2004.

Liabilities for Governmental Activities increased by \$2.8 million. The increase for 2004 was primarily the result of an increase in deferred revenue from taxes.

The net impact was an increase in net assets of \$3.9 million. The increase occurred primarily due to an increase in taxes receivable, which was caused by the timing of property tax receipts and the passage of an 8.5 mill levy in August, 2003, which generated additional tax revenue beginning in January, 2004.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Table 2 shows the changes in net assets for fiscal year 2004 compared to fiscal year 2003.

Table 2
 Governmental Activities

	<u>2004</u>	<u>2003</u>
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,745,027	\$1,387,199
Operating Grants and Contributions	3,656,977	3,060,312
Capital Grants and Contributions	7,186	10,165
<i>Total Program Revenues</i>	<u>5,409,190</u>	<u>4,457,676</u>
General Revenues:		
Property Taxes	16,506,121	9,997,283
Grants and Entitlements	15,486,963	14,505,903
Investment Earnings	53,631	24,003
Other	318,334	267,952
<i>Total General Revenues</i>	<u>32,365,049</u>	<u>24,795,141</u>
Total Revenues	<u>37,774,239</u>	<u>29,252,817</u>
Program Expenses		
Instruction	18,017,404	16,122,650
Support Services:		
Pupil and Instructional Staff	2,616,545	1,494,211
Board of Education, Administration, Fiscal and Business	4,802,325	5,727,194
Operation and Maintenance of Plant	4,564,071	3,507,919
Pupil Transportation	1,255,010	1,224,932
Central	9,406	11,436
Operation of Non-Instructional Services	263,157	208,017
Food Services Operations	1,365,444	1,235,949
Extracurricular Activities	833,879	684,508
Interest and Fiscal Charges	98,534	128,592
<i>Total Program Expenses</i>	<u>33,825,775</u>	<u>30,345,408</u>
Net Change in Net Assets	3,948,464	(1,092,591)
<i>Net Assets Beginning of Year</i>	<u>4,871,673</u>	<u>5,964,264</u>
<i>Net Assets End of Year</i>	<u>\$8,820,137</u>	<u>\$4,871,673</u>

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

While total revenue increased for Governmental Activities from \$29.3 million to \$37.8 million, the vast majority of revenue supporting Governmental Activities is general revenue. General revenue increased to \$32.3 million in 2004 from \$24.8 million in 2003. General revenue comprised 85.7 percent of revenue supporting Governmental Activities. The primary source of the increase was the timing of property taxes receipts and the new 8.5 mill levy, which began generating tax revenue in January 2004. As explained in Note 7, the amount available as an advance at June 30, 2004 was \$2,777,514 compared to \$1,333,189 at June 30, 2003. Taxes comprised \$16.5 million of general revenue in 2004, compared to \$10.0 million in 2003.

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 voter levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 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.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 43.70 percent of revenues for governmental activities for Maple Heights City School District in fiscal year 2004, an increase from prior years.

Program expense increased from \$30.3 million in 2003 to \$33.8 million in fiscal year 2004.

Most of this increase was in instruction and pupil and instructional staff support due to a two month teachers strike during Fiscal Year 2003 in which teaching staff were not paid. Instructional costs increased \$1.9 million. When combined with pupil and instructional staff support these categories make up 61.0 percent of 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 governmental 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.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Table 3
Governmental Activities

	Total Cost of Services 2004	Net Cost of Services 2004	Total Cost of Services 2003	Total Cost of Services 2003
Instruction	\$18,017,404	(\$14,784,879)	\$16,122,650	(\$13,547,165)
Support Services:				
Pupil and Instructional Staff	2,616,545	(2,271,042)	1,494,211	(1,454,254)
Board of Education, Administration, Fiscal and Business	4,802,325	(4,787,583)	5,727,194	(5,673,192)
Operation and Maintenance of Plant	4,564,071	(4,505,839)	3,507,919	(3,446,934)
Pupil Transportation	1,255,010	(1,184,950)	1,224,932	(1,190,431)
Central	9,406	(4,701)	11,436	3,209
Operation of Non-Instructional Services	263,157	(46,454)	208,017	111,520
Food Service Operations	1,365,444	(8,802)	1,235,949	118
Extracurricular Activities	833,879	(723,801)	684,508	(562,011)
Interest and Fiscal Charges	98,534	(98,534)	128,592	(128,592)
<i>Total</i>	<u>\$33,825,775</u>	<u>(\$28,416,585)</u>	<u>\$30,345,408</u>	<u>(\$25,887,732)</u>

The dependence upon general tax revenues for governmental activities is apparent. In fiscal year 2004, 48.8 percent of total expenses are supported through taxes, an increase from the 32.9 percent in fiscal year 2003. The increase is a result of the timing of property taxes receipts and the passage of an 8.5 mill levy in August, 2003 which generated additional tax revenue beginning in January, 2004. Grants and entitlement not restricted to specific programs in fiscal year 2004 support 45.8 percent, similar to the 47.8 percent in fiscal year 2003. Investments and other miscellaneous type revenues support the remaining activity costs. In fiscal year 2004, program revenues only account for 15.6 percent of all governmental expenses, similar to the 14.7 percent in fiscal year 2003. The community, as a whole, is the primary support for Maple Heights City School District students.

The School District's Funds

Information about the School District's major funds starts on Page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$37.7 million and expenditures of \$36.2 million. The net change in fund balance for the year was most significant in the General Fund, where the General Fund fund balance went from a deficit of \$1.0 million in 2003 to a surplus of \$.9 million for 2004. An increase in tax revenue from timing of property taxes receipts and the passage of a new operating levy account for this increase.

General Fund Budgeting Highlights

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

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

During the course of fiscal 2004 the School District amended its general fund budget numerous times, none significant. The School District uses site-based budgeting. The budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. For the general fund, final estimated revenue was \$30,277,420, above the original budget estimates of \$28,909,875. The increase was mainly due to an anticipated increase in property tax and intergovernmental revenue. For the general fund, the final appropriations were \$33,637,509, above the original budget appropriations of \$32,672,915.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$33,391,248, \$3,085,724 below revenues.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2004, the School District had \$10.0 million invested in land, buildings and improvements, furniture and equipment, vehicles and textbooks. Table 4 shows fiscal 2004 balances compared to fiscal 2003. More detailed information is presented in Note 9 of the notes to the basic financial statements.

Table 4
 Capital Assets at June 30
 Governmental Activities

	2004	2003
Land	\$1,212,362	\$1,201,177
Buildings and Improvements	6,972,694	5,886,788
Furniture and Equipment	1,036,168	752,683
Vehicles	660,458	424,694
Textbooks	80,412	103,387
Totals	\$9,962,094	\$8,368,729

The increase in capital assets is due to recognizing an increase in building improvements that occurred in 2004. This increase was primarily due to the completion of a new roof for the high school complex. The District continued its ongoing commitment to maintaining and improving its fixed assets.

Debt

At June 30, 2004, the School District had \$4,992,000 in bonds and notes outstanding. Table 5 summarizes bonds and notes outstanding for fiscal year 2004 and 2003. More detailed information is presented in Notes 14 and 15 of the notes to the basic financial statements.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Table 5
Outstanding Debt at June 30
Governmental Activities

	2004	2003
1998 Tax Anticipation Notes	0	255,000
1999 School Bus Acquisition Bonds	0	40,000
2001 School Improvement Bonds	195,000	380,000
2003 Energy Conservation Note	0	330,000
2004 Energy Conservation Note	296,000	0
2003 Energy Conservation Note	0	3,011,000
2004 Energy Conservation Note	3,011,000	
2003 School Improvement Note	0	302,000
2004 School Improvement Note	287,000	0
2004 Tax Anticipation Note	1,203,000	0
Totals	\$4,992,000	\$4,318,000

On June 1, 1999, Maple Heights City School District issued \$180,000 in voted general obligation bonds for the purpose of acquiring buses. The bonds were issued for a five year period with final maturity at April 15, 2004.

On March 1, 2001, Maple Heights City School District issued \$870,000 in voted general obligation bonds for the purpose of capital improvements around the School District. The bonds were issued for a four year period with final maturity at December 1, 2004.

The 2004 energy conservation notes were issued to refinance 2003 energy conservation notes. Originally these notes were issued to replace heating systems at Dunham and Raymond Elementary Schools, lighting systems and steam traps in all School District Buildings and exterior windows at Rockside Elementary. Principal and interest payments are made from the General Fund and Building Capital Projects fund through savings realized through energy consumption savings.

The 2004 school improvement notes were issued to refinance 2003 school improvement notes. Originally these notes were issued for various building improvements throughout the School District.

The 1998 long term notes were issued to allow the School District to undertake several key projects following passage of a \$1.5 mill permanent improvement levy renewal in May 1998. The note was paid by revenues generated by this levy.

The 2004 tax anticipation notes were issued against future revenues to be generated by the renewal of a 1.5 mill permanent improvement levy in 2003 which will be paid from revenues generated by this levy. The funds were used to replace the roof of the high school complex.

At June 30, 2004, the School District's overall legal debt margin was \$35,232,627 with an unvoted debt margin of \$427,751. The debt is well within permissible limits.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Current Financial Related Activities

Maple Heights City School District is maintaining its programs and using its resources wisely. As the preceding information shows, the School District heavily depends on its property taxpayers. However, financially the future is not without challenges.

The passage of an 8.5 mill operating levy in 2003 will provide additional funds to meet operating expenses however, declining tax collections further challenges the School District. This decline due to decreasing personal property business taxes, and delinquencies means reduced tax revenue in future years. With this decline in tax collections, the School District must seek additional tax revenues to continue current operations. However, the School District cannot look to the State of Ohio for increased revenue.

The State of Ohio was found by the Ohio Supreme Court in March 1997, to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable". Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes which are inherently not "equitable" nor "adequate". The Court directed the Governor and the legislature to address the fundamental issues creating the inequities. In 2001, the Ohio legislature crafted a school-funding program to address the Court's concerns. The Court has found this funding program did not meet its constitutional standards. Virtually, no additional state revenue will be available to Maple Heights City School District. Thus, both the School District's tax base and state revenue are fixed or declining.

This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Maple Heights City School District has committed itself to financial excellence for many years. In addition, the School District's system of budgeting and internal controls is critical to the integrity of the use of public funds. 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 questions about this report or need additional financial information, contact Christopher D. Krause, Treasurer at Maple Heights City School District, 14605 Granger Road, Maple Heights, Ohio 44137; or by e-mail at Christopher.krause@lnoca.org.

Maple Heights City School District

Statement of Net Assets

June 30, 2004

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,979,968
Accounts Receivable	1,838
Intergovernmental Receivable	652,836
Prepaid Items	243,426
Inventory Held for Resale	3,338
Materials and Supplies Inventory	33,078
Property Taxes Receivable	19,065,087
Deferred Charges	10,313
Nondepreciable Capital Assets	1,212,362
Depreciable Capital Assets, Net	<u>8,749,732</u>
<i>Total Assets</i>	<u>32,951,978</u>
Liabilities	
Accounts Payable	181,658
Accrued Wages	1,949,466
Intergovernmental Payable	1,083,591
Accrued Interest Payable	14,312
Deferred Revenue	14,237,696
Notes Payable	3,594,000
Long-Term Liabilities:	
Due Within One Year	818,304
Due In More Than One Year	<u>2,252,814</u>
<i>Total Liabilities</i>	<u>24,131,841</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	4,980,407
Restricted for:	
Capital Projects	513,195
Debt Service	533,237
Special Education	600,374
Training and Development	462,409
Summer School	109,946
Literacy Programs	89,235
Alternative Education	33,569
Food Service	79,071
School Supplies	98,950
Public School Support	18,580
Student Activities	80,345
Other Purposes	70,676
Unrestricted	<u>1,150,143</u>
<i>Total Net Assets</i>	<u><u>\$8,820,137</u></u>

See accompanying notes to the basic financial statements

Maple Heights City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total
Governmental Activities					
Instruction:					
Regular	\$12,520,897	\$123,079	\$1,224,646	\$0	(\$11,173,172)
Special	3,998,714	797,051	936,769	0	(2,264,894)
Vocational	1,494,061	77,079	69,299	0	(1,347,683)
Adult/Continuing	3,732	0	4,602	0	870
Support Services:					
Pupil	1,648,119	0	4,513	0	(1,643,606)
Instructional Staff	968,426	0	340,990	0	(627,436)
Board of Education	33,943	0	0	0	(33,943)
Administration	2,919,834	0	1,117	0	(2,918,717)
Fiscal	1,064,745	0	13,625	0	(1,051,120)
Business	783,803	0	0	0	(783,803)
Operation and Maintenance of Plant	4,564,071	0	58,232	0	(4,505,839)
Pupil Transportation	1,255,010	62,874	0	7,186	(1,184,950)
Central	9,406	0	4,705	0	(4,701)
Operation of Non-Instructional Services	263,157	0	216,703	0	(46,454)
Food Service Operations	1,365,444	608,126	748,516	0	(8,802)
Extracurricular Activities	833,879	76,818	33,260	0	(723,801)
Interest and Fiscal Charges	98,534	0	0	0	(98,534)
<i>Total</i>	<u>\$33,825,775</u>	<u>\$1,745,027</u>	<u>\$3,656,977</u>	<u>\$7,186</u>	<u>(28,416,585)</u>
General Revenues					
Property Taxes Levied for:					
					15,703,224
					598,769
					204,128
					15,486,963
					53,631
					318,334
					<u>32,365,049</u>
					3,948,464
					<u>4,871,673</u>
					<u>\$8,820,137</u>

See accompanying notes to the basic financial statements

Maple Heights City School District

Balance Sheet

Governmental Funds

June 30, 2004

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$979,153	\$347,037	\$1,653,778	\$2,979,968
Accounts Receivable	0	0	1,838	1,838
Intergovernmental Receivable	0	0	652,836	652,836
Interfund Receivable	24,764	0	0	24,764
Prepaid Items	229,221	0	14,205	243,426
Inventory Held for Resale	0	0	3,338	3,338
Materials and Supplies Inventory	33,078	0	0	33,078
Property Taxes Receivable	18,335,384	512,932	216,771	19,065,087
<i>Total Assets</i>	<u>\$19,601,600</u>	<u>\$859,969</u>	<u>\$2,542,766</u>	<u>\$23,004,335</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$110,375	\$0	\$71,283	\$181,658
Accrued Wages	1,886,498	0	62,968	1,949,466
Intergovernmental Payable	780,571	0	829	781,400
Interfund Payable	0	0	24,764	24,764
Deferred Revenue	15,346,458	422,130	681,983	16,450,571
Accrued Interest Payable	3,191	7,778	0	10,969
Notes Payable	583,000	3,011,000	0	3,594,000
<i>Total Liabilities</i>	<u>18,710,093</u>	<u>3,440,908</u>	<u>841,827</u>	<u>22,992,828</u>
Fund Balances				
Reserved for Encumbrances	172,957	343,253	168,425	684,635
Reserved for Property Taxes	2,639,243	81,779	56,492	2,777,514
Unreserved, Undesignated (Deficit) Reported in:				
General Fund	(1,920,693)	0	0	(1,920,693)
Special Revenue Funds	0	0	979,368	979,368
Debt Service Fund	0	0	467,518	467,518
Capital Projects Funds	0	(3,005,971)	29,136	(2,976,835)
<i>Total Fund Balances (Deficit)</i>	<u>891,507</u>	<u>(2,580,939)</u>	<u>1,700,939</u>	<u>11,507</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$19,601,600</u>	<u>\$859,969</u>	<u>\$2,542,766</u>	<u>\$23,004,335</u>

See accompanying notes to the basic financial statements

Maple Heights City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2004*

Total Governmental Funds Balances		\$11,507
 <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.		9,962,094
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	1,686,359	
Grants	<u>526,516</u>	
		2,212,875
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(302,191)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(3,343)
Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds.		10,313
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(195,000)	
Notes Payable	(1,203,000)	
Notes Premium	(17,383)	
Compensated Absences	<u>(1,655,735)</u>	
Total		<u>(3,071,118)</u>
 <i>Net Assets of Governmental Activities</i>		 <u><u>\$8,820,137</u></u>

See accompanying notes to the basic financial statements

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

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$15,308,688	\$198,238	\$590,374	\$16,097,300
Intergovernmental	15,402,429	52,999	3,961,274	19,416,702
Interest	53,464	167	0	53,631
Charges for Services	34,918	0	608,126	643,044
Tuition and Fees	910,063	0	115,102	1,025,165
Extracurricular Activities	3,187	0	73,631	76,818
Contributions and Donations	0	0	33,260	33,260
Miscellaneous	309,569	0	8,765	318,334
<i>Total Revenues</i>	<u>32,022,318</u>	<u>251,404</u>	<u>5,390,532</u>	<u>37,664,254</u>
Expenditures				
Current:				
Instruction:				
Regular	11,617,635	0	1,030,949	12,648,584
Special	2,956,705	0	1,058,963	4,015,668
Vocational	1,424,482	0	68,617	1,493,099
Adult/Continuing	0	0	3,732	3,732
Support Services:				
Pupil	1,664,065	0	7,728	1,671,793
Instructional Staff	747,303	0	224,361	971,664
Board of Education	34,044	0	0	34,044
Administration	2,917,932	0	1,556	2,919,488
Fiscal	1,016,335	0	54,135	1,070,470
Business	784,437	0	0	784,437
Operation and Maintenance of Plant	4,600,430	0	47,609	4,648,039
Pupil Transportation	1,497,022	0	0	1,497,022
Central	5,683	0	3,723	9,406
Operation of Non-instructional Services	0	0	264,541	264,541
Extracurricular Activities	615,932	0	183,565	799,497
Food Service Operations	0	0	1,391,413	1,391,413
Capital Outlay	48,110	1,303,792	7,542	1,359,444
Debt Service:				
Principal Retirement	40,000	0	440,000	480,000
Interest and Fiscal Charges	51,405	890	47,284	99,579
Note Issuance Costs	0	12,892	0	12,892
<i>Total Expenditures</i>	<u>30,021,520</u>	<u>1,317,574</u>	<u>4,835,718</u>	<u>36,174,812</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,000,798</u>	<u>(1,066,170)</u>	<u>554,814</u>	<u>1,489,442</u>
Other Financing Sources (Uses)				
Notes Issued	0	1,203,000	0	1,203,000
Premium on Notes	0	21,729	0	21,729
Transfers In	0	0	85,000	85,000
Transfers Out	(85,000)	0	0	(85,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(85,000)</u>	<u>1,224,729</u>	<u>85,000</u>	<u>1,224,729</u>
<i>Net Change in Fund Balances</i>	1,915,798	158,559	639,814	2,714,171
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(1,024,291)</u>	<u>(2,739,498)</u>	<u>1,061,125</u>	<u>(2,702,664)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$891,507</u>	<u>(\$2,580,939)</u>	<u>\$1,700,939</u>	<u>\$11,507</u>

See accompanying notes to the basic financial statements

Maple Heights City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2004*

Net Change in Fund Balances -Total Governmental Funds \$2,714,171

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

Governmental funds report capital outlays as expenditures.

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

Capital Outlay	2,087,657	
Current Year Depreciation	<u>(485,739)</u>	
Total		1,601,918

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

(8,553)

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

Delinquent Property Taxes	408,821	
Intergovernmental	<u>(298,836)</u>	
Total		109,985

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

480,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

(722)

Note issuance costs are reported as an expenditure in the governmental funds but are allocated as an expense over the life of the notes on a full accrual basis.

Issuance Costs	12,892	
Current Year Expense	<u>(2,579)</u>	
Total		10,313

Proceeds of notes are an other financing source in the governmental funds, but increases liabilities in governmental activities.

Proceeds of Notes	(1,203,000)	
Premium on Notes	(21,729)	
Amortization of Premium	<u>4,346</u>	
		(1,220,383)

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

Compensated Absences	62,185	
Pension Obligations	<u>199,550</u>	
Total		<u>261,735</u>

Change in Net Assets of Governmental Activities \$3,948,464

See accompanying notes to the basic financial statements

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

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$12,954,669	\$13,567,474	\$13,580,401	\$12,927
Intergovernmental	14,677,078	15,369,119	15,402,429	33,310
Interest	46,899	49,117	49,324	207
Charges for Services	32,004	32,004	34,918	2,914
Tuition and Fees	882,032	925,270	923,273	(1,997)
Extracurricular Activities	2,911	3,049	3,187	138
Miscellaneous	314,282	331,387	311,992	(19,395)
<i>Total Revenues</i>	<u>28,909,875</u>	<u>30,277,420</u>	<u>30,305,524</u>	<u>28,104</u>
Expenditures				
Current:				
Instruction:				
Regular	11,301,552	11,634,188	11,549,266	84,922
Special	2,675,154	2,754,258	2,734,063	20,195
Vocational	1,372,186	1,412,762	1,402,404	10,358
Support Services:				
Pupil	1,613,329	1,661,035	1,648,856	12,179
Instructional Staff	761,030	783,533	777,789	5,744
Board of Education	30,523	31,426	31,195	231
Administration	2,862,907	2,947,564	2,925,951	21,613
Fiscal	995,415	1,024,851	1,017,336	7,515
Business	776,930	799,905	794,039	5,866
Operation and Maintenance of Plant	4,524,290	4,658,074	4,623,919	34,155
Pupil Transportation	1,456,027	1,499,082	1,488,090	10,992
Central	5,560	5,725	5,683	42
Extracurricular Activities	592,491	610,011	605,538	4,473
Capital Outlay	47,074	48,466	48,110	356
Debt Service:				
Principal Retirement	3,607,558	3,714,235	3,683,000	31,235
Interest and Fiscal Charges	50,889	52,394	56,009	(3,615)
<i>Total Expenditures</i>	<u>32,672,915</u>	<u>33,637,509</u>	<u>33,391,248</u>	<u>246,261</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,763,040)</u>	<u>(3,360,089)</u>	<u>(3,085,724)</u>	<u>274,365</u>
Other Financing Sources (Uses)				
Notes Issued	3,427,697	3,590,135	3,594,000	3,865
Premium on Notes	6,246	6,246	6,246	0
Transfers Out	(85,000)	(85,000)	(85,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,348,943</u>	<u>3,511,381</u>	<u>3,515,246</u>	<u>3,865</u>
<i>Net Change in Fund Balance</i>	(414,097)	151,292	429,522	278,230
<i>Fund Balance Beginning of Year</i>	313,982	313,982	313,982	0
Prior Year Encumbrances Appropriated	51,515	51,515	51,515	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$48,600)</u>	<u>\$516,789</u>	<u>\$795,019</u>	<u>\$278,230</u>

See accompanying notes to the basic financial statements

Maple Heights City School District
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2004

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$59,863</u>
Liabilities	
Due to Students	<u>\$59,863</u>

See accompanying notes to the basic financial statements

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 1 - Description of the School District

The Maple Heights City School District (the School District) operates under a locally elected five-member Board form of government and provides educational services as authorized by state and federal agencies. The Board controls a staff of 175 non-certificated employees, 222 certificated full time teaching personnel and 30 administrative employees to provide services to 3,721 students and other community members. The School District operates 4 elementary schools (k-6), 1 middle school (7-8), and 1 high school (9-12).

The School District was originally part of Bedford Township. In 1924 the first Maple Heights Board of Education was organized. The Clement Elementary School was selected to become the site of the high school. The School District was officially established in 1931 and is organized under Article VI, Section 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 is located in Maple Heights, Ohio, Cuyahoga County and serves an area of approximately 5.5 square miles.

Reporting Entity

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

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

The School District is participates in with two jointly governed organizations, the Lakeshore Northeast Ohio Computer Association and Ohio Schools Council Association. These organizations are presented in Note 16 to the basic financial statements.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Maple Heights City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial 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 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 statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

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 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 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. The School District uses two categories of funds: governmental and fiduciary.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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.

Building Fund The building fund accounts for a property tax levy used for various capital improvements within the School District.

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

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

C. Measurement Focus

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

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

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 the statement presented for 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.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 budgetary control has been established by the Board of Education at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Treasurer is authorized to further allocate appropriations at the function and object levels.

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 budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that were in effect at the time the 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 by fund. 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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

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. The general fund provides advances to cover deficit cash balances at the end of the fiscal year. At the end of fiscal year 2004 the general fund advanced monies to two special revenue funds to cover deficit cash balances. See Note 18 for additional information.

During fiscal year 2004, investments were limited to STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2004.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2004 amounted to \$53,464 which includes \$36,189 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004, are reported as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which 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 donated food, purchased food and school supplies held for resale, and materials and supplies held for consumption.

I. Capital Assets

All of the School District's capital assets are general capital assets. General capital assets are those assets related to activities reported in the governmental funds. 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. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 50 years
Furniture and Equipment	3 - 20 years
Vehicles	10 years
Textbooks	5 - 15 years

J. Interfund Balances

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

K. Note Issuance Costs

In the government-wide financial statements, note issuance costs are deferred and amortized over the term of the applicable notes. Within the governmental fund statements, note issuance costs are expended when incurred.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

L. Note Premium

In the government-wide financial statements, note premiums are deferred and amortized over the term of the notes. Note premiums are presented as an increase of the face amount of the notes payable. On the governmental fund statements, note premiums are reported as an other financing source when received.

M. 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 classified, certified and administrative employees after ten years of current service with the School District.

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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, insurance premiums, 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 are recognized as a liability on the fund financial statements when due.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include community activities, drug prevention and telecommunications.

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

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

P. Interfund Activity

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

Q. Fund Balance Reserves

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

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

S. 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 Principle

For fiscal year 2004, the School District has implemented GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units”. GASB Statement No. 39 states that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government. The implementation of GASB Statement No. 39 did not affect the reporting entity of the School District.

Note 4 - Accountability and Compliance

A. Accountability

At June 30, 2004 the building capital projects fund had a fund deficit of \$2,580,939. The deficit is a result of the issuance of short-term energy conservation notes which are used to finance the project until bonds are issued. The deficit will be eliminated once bonds are issued and the obligation is no longer reported in the fund.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

B. Legal Compliance

The following funds had expenditures plus encumbrances in excess of appropriations contrary to Section 5705.41, Ohio Revised Code:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<i>Special Revenue Funds:</i>			
Athletics and Music	\$137,643	\$139,038	\$1,395
Professional Development Block Grant	0	3,292	3,292
Summer School Subsidy	37,592	53,415	15,823
Title I	427,436	555,886	128,450
Miscellaneous Federal Grants	323,404	335,651	12,247

Contrary to Section 5705.10 of the Ohio Revised Code, the Title VI-B and Title VI funds had cash fund deficits of \$17,281 and \$7,483, respectively, at June 30, 2004. In the future management will make advances to alleviate any cash basis deficits.

Contrary to Ohio Revised Code Section 5705.39, the General fund had original appropriations of \$32,757,915 which was \$48,600 in excess of certified available resources of \$32,709,315.

Contrary to Ohio Revised Code Section 5705.39, the following funds had final appropriations in excess of certified available resources:

	<u>Revenues</u>		
	<u>Plus Carryover Balance</u>	<u>Appropriations</u>	<u>Excess</u>
<i>Special Revenue Funds:</i>			
Food Service	\$1,309,453	\$1,309,469	\$16
Auxiliary Services	292,537	344,462	51,925
Management Information Systems	51,402	51,762	360
Ohio Reads Grant	65,629	91,552	25,923
Title VI-B Grant	847,191	859,761	12,570
Carl Perkins Grant	72,000	72,830	830

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/retained earnings 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 presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balance

GAAP Basis	\$1,915,798
Net Adjustment for Revenue Accruals	(1,716,794)
Net Adjustment for Expenditure Accruals	459,942
Notes Issued	3,600,246
Beginning Unrecorded Cash	6,807
Principal Retirement	(3,683,000)
Interest and Fiscal Charges	52,009
Adjustments for Encumbrances	<u>(205,486)</u>
Budget Basis	<u><u>\$429,522</u></u>

Note 6 - Deposits and Investments

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

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

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

Interim deposits are deposits of interim monies. Interim 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 pass book accounts.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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

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

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

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

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Cash on Hand At fiscal year end, the School District had \$11,540 in unreported cash on hand which is included on the balance sheet of the School District as part of “equity in pooled cash and cash equivalents.”

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

Deposits At fiscal year-end, the carrying amount of the School District's deposits was (\$305,631) and the bank balance was \$2,027,291. Of the bank balance:

1. \$193,096 was covered by federal depository insurance; and
2. \$1,834,195 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the School District’s name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments GASB Statement No. 3 requires the School District’s investments to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. STAROhio’s fair value at June 30, 2004 is \$3,333,922.

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$3,039,831	\$0
Cash on Hand	(11,540)	0
STAR Ohio	(3,333,922)	3,333,922
GASB Statement No. 3	(\$305,631)	\$3,333,922

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 7 - Property Taxes

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

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

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

Tangible personal property tax revenue received during calendar 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2004 tangible personal property tax settlement was not received until July 2004.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2004, are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2004 was \$2,639,243 in the general fund, \$81,779 in the building capital projects fund and \$56,492 in the bond retirement debt service fund. The amount available to the School District as an advance at June 30, 2003, was \$1,223,445 in the general fund, \$44,326 in the building capital projects fund and \$26,239 in the bond retirement debt service fund.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

The late tax settlement made by the County for fiscal year 2004 was \$349,683 in the general fund, \$9,023 in the building capital projects fund and \$4,812 in the bond retirement debt service 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 2004 taxes were collected are:

	2003 Second Half Collections		2004 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$372,148,101	87.34 %	\$374,057,220	87.45 %
Public Utility	14,477,060	3.40	16,597,690	3.88
Tangible Personal Property	39,466,822	9.26	37,096,385	8.67
	<u>\$426,091,983</u>	<u>100.00 %</u>	<u>\$427,751,295</u>	<u>100.00 %</u>

Tax rate per \$1,000 of assessed valuation	\$55.80	\$64.30
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At the August, 2003 election the voters passed a new 8.5 mill operating levy.

Note 8 - Receivables

Receivables at June 30, 2004, consisted of taxes, accounts (rent, student fees and tuition), intergovernmental grants and interest. 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 are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<i>Nonmajor Funds:</i>	
Professional Development	\$39,405
Student Intervention	31,061
Alternative School	11,723
Title VI-B	107,559
Title I	194,420
Title V	45,239
Drug Free Schools	25,568
Miscellaneous Federal Grants	<u>197,861</u>
Total All Funds	<u><u>\$652,836</u></u>

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 9 - Capital Assets

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

	Balance 6/30/03	Additions	Deletions	Balance 6/30/04
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,201,177	\$11,185	\$0	\$1,212,362
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	13,263,844	1,324,734	0	14,588,578
Furniture and Equipment	3,935,333	420,101	0	4,355,434
Vehicles	1,111,405	331,637	(159,110)	1,283,932
Textbooks	1,142,336	0	0	1,142,336
<i>Total Capital Assets, being depreciated</i>	<u>19,452,918</u>	<u>2,076,472</u>	<u>(159,110)</u>	<u>21,370,280</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(7,377,056)	(238,828)	0	(7,615,884)
Furniture and Equipment	(3,182,650)	(136,616)	0	(3,319,266)
Vehicles	(686,711)	(87,320)	150,557	(623,474)
Textbooks	(1,038,949)	(22,975)	0	(1,061,924)
Total Accumulated Depreciation	<u>(12,285,366)</u>	<u>(485,739) *</u>	<u>150,557</u>	<u>(12,620,548)</u>
<i>Total Capital Assets, being depreciated, net</i>	<u>7,167,552</u>	<u>1,590,733</u>	<u>(8,553)</u>	<u>8,749,732</u>
Governmental Activities Capital Assets, Net	<u>\$8,368,729</u>	<u>\$1,601,918</u>	<u>(\$8,553)</u>	<u>\$9,962,094</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$315,096
Support Services:	
Administration	16,482
Operation and Maintenance of Plant	54
Pupil Transportation	100,512
Extracurricular Activities	52,736
Food Service Operations	859
Total Depreciation Expense	<u>\$485,739</u>

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 10 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2004, the School District contracted for the following insurance coverage:

Company	Type of Coverage	Coverage Amount
Indiana Insurance Company	Property	\$69,683,337
	General Liability, in aggregate	2,000,000
	General Liability, per occurrence	1,000,000
	Fire Damage	300,000
	Medical Expense, any one person	15,000
	Boiler and Machinery	30,000,000
	Uninsured Motorist	50,000
	Blanket Bond	5,000
Flagherty	Aggregate limit on premises	1,500
	Aggregate limit for messenger	2,000
Western Surety Company	Treasurer's Bond	25,000
	Public Official Bond	20,000

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

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 11 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement 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 43215-3746 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 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$429,752, \$384,625 and \$246,359 respectively; 54.17 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

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

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

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

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002 were \$1,600,171, \$1,489,735 and \$1,238,180 respectively; 84.37 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002. Contributions to the DC and Combined Plans for fiscal year 2004 were \$15,667 made by the School District and \$20,972 made by the plan members.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 12 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$124,295 for fiscal year 2004.

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

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll, a decrease of .92 percent from fiscal year 2003. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay was established at \$25,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2004 fiscal year equaled \$307,103.

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

Note 13 - 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

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

employment. Teachers and administrators do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 270 days for all certified and 180 days for classified personnel. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit to a maximum of 90 days for certified personnel and 60 days for classified personnel.

B. Insurance Benefits

The School District provides premium based health insurance benefits through Anthem, Blue Cross, Blue Shield and Kaiser Permanente.

Note 14 - Short-Term Obligations

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

	Outstanding 6/30/03	Additions	Deletions	Outstanding 6/30/04
General Fund				
2003 Energy Conservation Notes 1.56%	\$330,000	\$0	\$330,000	\$0
2004 Energy Conservation Notes 2.00%	0	296,000	0	296,000
2003 School Improvement Notes 1.35%	302,000	0	302,000	0
2004 School Improvement Notes 1.50%	0	287,000	0	287,000
Total General Fund	<u>632,000</u>	<u>583,000</u>	<u>632,000</u>	<u>583,000</u>
Capital Projects Fund - Building				
2003 Energy Conservation Notes 1.35%	3,011,000	0	3,011,000	0
2004 Energy Conservation Notes 1.50%	0	3,011,000	0	3,011,000
Total Capital Projects Fund - Building	<u>3,011,000</u>	<u>3,011,000</u>	<u>3,011,000</u>	<u>3,011,000</u>
Total Notes	<u>\$3,643,000</u>	<u>\$3,594,000</u>	<u>\$3,643,000</u>	<u>\$3,594,000</u>

All of the notes are backed by the full faith and credit of the Maple Heights City School District and mature within one year. The note liability is reflected in the general fund and building capital projects fund which received the proceeds.

The 2004 energy conservation bond anticipation notes were issued to refinance 2003 energy conservation notes. Originally these notes were issued to replace heating systems at Dunham and Raymond Elementary Schools, lighting systems and steam traps in all School District Buildings and exterior windows at Rockside Elementary. Principal and interest payments are made from the General Fund and the Building Capital Projects fund.

The 2004 school improvement bond anticipation notes were issued to refinance 2003 school improvement notes. Originally these notes were issued for various building improvements throughout the School District.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 15 - Long-Term Obligations

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

	Principal Outstanding 6/30/03	Additions	Reductions	Principal Outstanding 6/30/04	Amount Due in One Year
General Obligation Bonds:					
\$180,000 1999 5.10%					
School Bus Acquisition	40,000	0	40,000	0	0
\$870,000 2001 5.15%					
School Improvement	380,000	0	185,000	195,000	195,000
<i>Total General Obligation Bonds</i>	420,000	0	225,000	195,000	195,000
Long-Term Notes:					
\$1,175,000 1998 3.85%					
Long-Term Notes	255,000	0	255,000	0	0
\$1,203,000 2004 2.50%					
Long-Term Notes	0	1,203,000	0	1,203,000	223,000
Premium on Long-Term Notes	0	21,729	4,346	17,383	4,346
Total 2004 Long-Term Notes	0	1,224,729	4,346	1,220,383	227,346
<i>Total Long-Term Notes</i>	255,000	1,224,729	259,346	1,220,383	227,346
Compensated Absences	1,717,920	55,449	117,634	1,655,735	395,958
Total Governmental Activities					
Long-Term Liabilities	\$2,392,920	\$1,280,178	\$601,980	\$3,071,118	\$818,304

On June 1, 1999, Maple Heights City School District issued \$180,000 in voted general obligation bonds for the purpose of acquiring buses. The bonds were issued for a five year period with final maturity at April 15, 2004. These bonds were paid with state grant monies from the general fund.

On March 1, 2001, Maple Heights City School District issued \$870,000 in voted general obligation bonds for the purpose of capital improvements around the School District. The bonds were issued for a four year period with final maturity at December 1, 2004. These bonds will be paid with property taxes from the bond retirement debt service fund.

The 1998 long term notes were issued to allow the School District to undertake several key projects following passage of a 1.5 mill permanent improvement levy renewal in May 1998. The note was paid by revenues generated by this levy.

The 2004 tax anticipation notes were issued to allow the School District to undertake several key projects following passage of a 1.5 mill permanent improvement levy renewal in May 2004. The note is being paid by revenues generated by this levy. The notes were issued at a premium of \$21,729.

Compensated absences will be paid from the general and food service and auxiliary services special revenue funds.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

The School District's overall debt margin was \$35,232,627 with an unvoted debt margin of \$427,751 at June 30, 2004. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2004 are as follows:

Fiscal Year Ending	General Obligation Bonds		Long-Term Notes	
	Principal	Interest	Principal	Interest
2005	\$195,000	\$5,020	\$223,000	\$27,288
2006	0	0	230,000	21,625
2007	0	0	240,000	15,750
2008	0	0	250,000	9,625
2009	0	0	260,000	3,250
Totals	<u>\$195,000</u>	<u>\$5,020</u>	<u>\$1,203,000</u>	<u>\$77,538</u>

Note 16 - 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 sixteen school districts. The primary function of LNOCA is to provide data services to the sixteen school districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance, student tracking, pupil scheduling, attendance 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 schools district supports LNOCA based upon a per pupil charge dependent upon the software package used. Maple Heights City School District paid \$54,501 to LNOCA during fiscal year 2004. Financial information can be obtained by contacting LNOCA, 5700 West Canal Road, Valley View, Ohio 44125.

B. Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2004, the School District paid \$750 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, 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 2002.

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.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Energy Acquisition Corp., a non profit corporation with a self appointing board, issued \$119,140,000 in debt to repurchase 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 17 - 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 acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end and 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 improvements. Disclosure of this information is required by State statute.

	Capital Improvements	Textbooks and Instructional Material
Set-Aside Reserve Balance as of June 30, 2003	\$0	(\$290,680)
Current Year Set-Aside Requirement	249,387	249,387
Offsets During the Fiscal Year	(1,418,061)	0
Qualifying Disbursements	(1,270,387)	(972,918)
Totals	(\$2,439,061)	(\$1,014,211)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0	(\$1,014,211)
Set-Aside Reserve Balance as of June 30, 2004	\$0	\$0

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

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 18 - Interfund Transfers and Balances

A. Transfers

The General fund reported a transfer out during fiscal year 2004 of \$85,000. The Athletics and Music special revenue fund had a transfer in of the same amount. The transfer represents the collection of activity fees for athletics.

B. Balances

The general fund reported an interfund receivable of \$24,764 and the Title VI-B and Title VI special revenue funds reported interfund payables of \$17,281 and \$7,483, respectively, at June 30, 2004. These advances were made to cover negative cash balances.

Note 19 - School State Funding Decision

On December 11, 2003, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

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

Note 20 - Contingencies

A. Grants

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

B. Litigation

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

**Combining and Individual
Fund Statements and Schedules**

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

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

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.

Mental Health and Mental Retardation Fund - This fund accounts for funding to provide programs for special needs students.

Public School Support Fund - This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

Local Grants Fund - This fund accounts for funds received to promote community involvement and volunteer activities between the School District and community.

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

Auxiliary Services Fund - This fund accounts for funds which provide services and materials to pupils attending non-public schools within the School District.

Professional Development Block Grant Fund – This fund accounts for receipts and expenditures necessary for providing assistance to the School District for the development of in-service programs.

Management Information Systems Fund - This fund accounts for State monies which support the development of hardware, software or other costs associated with the management information system.

Teacher Training and Development Fund – This fund accounts for funds which provide for first year teacher training programs.

Disadvantaged Pupil Program Fund - This fund accounts for State monies used for improving the educational and cultural status of disadvantaged pupils.

School Net Professional Development Fund - This fund accounts for State monies received for computer training for teachers in the School District provided by Ohio Educational Computer Networks connections.

Textbooks and Instructional Materials Fund - This fund accounts for State monies for textbooks and materials for the curriculum

Ohio Reads Grant Fund - This fund accounts for State monies received for the purpose of providing an intense intervention literacy program for students Kindergarten through Third grade. This program also provides for community volunteers in a one on one setting.

(continued)

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

Summer School Subsidy Fund - This fund accounts for State monies which provide summer school programs for the student body.

Career Tech and Adult Equipment Fund - This fund accounts for State monies received for the purpose of providing materials and supplies for programs for career tech and adult education.

Alternative School Fund - This fund accounts for State monies received for the purpose of providing an alternative educational setting for students who have not succeeded in a typical classroom.

Miscellaneous State Grants Fund - This fund accounts for State monies which support academic and enrichment programs for the student body.

Eisenhower Math and Science Fund - This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning.

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

Carl Perkins Grant Fund - This fund accounts for State monies used for the development of vocational educational programs in the following categories: secondary, post-secondary, adult, disadvantaged, and handicapped persons, exemplary programs, cooperative education, ancillary services, research, advisory committees and work study projects.

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 which 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 which support the implementation of programs for drug abuse education and prevention.

Preschool Grant Fund - This fund accounts for Federal monies used for a preschool for students with disabilities.

E-Rate Grant Fund - This fund accounts for Federal monies paid directly to a telecommunication provider.

Continuous Improvement Fund - This fund accounts for various monies received through State agencies from the Federal government to provide education improvements to the School District.

Miscellaneous Federal Grants Fund - This fund accounts for Federal monies which support academic and enrichment programs for the student body.

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Fund

The bond retirement fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Nonmajor Capital Projects Fund

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

SchoolNet Fund - This fund accounts for state monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

Maple Heights City School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,161,936	\$462,706	\$29,136	\$1,653,778
Accounts Receivable	1,838	0	0	1,838
Intergovernmental Receivable	652,836	0	0	652,836
Prepaid Items	14,205	0	0	14,205
Inventory Held for Resale	3,338	0	0	3,338
Property Taxes Receivable	<u>0</u>	<u>216,771</u>	<u>0</u>	<u>216,771</u>
<i>Total Assets</i>	<u><u>\$1,834,153</u></u>	<u><u>\$679,477</u></u>	<u><u>\$29,136</u></u>	<u><u>\$2,542,766</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$71,283	\$0	\$0	\$71,283
Accrued Wages	62,968	0	0	62,968
Intergovernmental Payable	829	0	0	829
Interfund Payable	24,764	0	0	24,764
Deferred Revenue	<u>526,516</u>	<u>155,467</u>	<u>0</u>	<u>681,983</u>
<i>Total Liabilities</i>	<u>686,360</u>	<u>155,467</u>	<u>0</u>	<u>841,827</u>
Fund Balances:				
Reserved for Encumbrances	168,425	0	0	168,425
Reserved for Property Taxes	0	56,492	0	56,492
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	979,368	0	0	979,368
Debt Service Funds	0	467,518	0	467,518
Capital Projects Funds	<u>0</u>	<u>0</u>	<u>29,136</u>	<u>29,136</u>
<i>Total Fund Balances</i>	<u>1,147,793</u>	<u>524,010</u>	<u>29,136</u>	<u>1,700,939</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$1,834,153</u></u>	<u><u>\$679,477</u></u>	<u><u>\$29,136</u></u>	<u><u>\$2,542,766</u></u>

Maple Heights City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$590,374	\$0	\$590,374
Intergovernmental	3,922,553	38,721	0	3,961,274
Charges for Services	608,126	0	0	608,126
Tuition and Fees	115,102	0	0	115,102
Extracurricular Activities	73,631	0	0	73,631
Contributions and Donations	33,260	0	0	33,260
Miscellaneous	8,765	0	0	8,765
<i>Total Revenues</i>	<u>4,761,437</u>	<u>629,095</u>	<u>0</u>	<u>5,390,532</u>
Expenditures				
Current:				
Instruction:				
Regular	1,030,949	0	0	1,030,949
Special	1,058,963	0	0	1,058,963
Vocational	68,617	0	0	68,617
Adult/Continuing	3,732	0	0	3,732
Support Services:				
Pupil	7,728	0	0	7,728
Instructional Staff	224,361	0	0	224,361
Administration	1,556	0	0	1,556
Fiscal	54,135	0	0	54,135
Operation and Maintenance of Plant	47,609	0	0	47,609
Central	3,723	0	0	3,723
Operation of Non-instructional Services	264,541	0	0	264,541
Extracurricular Activities	183,565	0	0	183,565
Food Service Operations	1,391,413	0	0	1,391,413
Capital Outlay	0	0	7,542	7,542
Debt Service:				
Principal Retirement	0	440,000	0	440,000
Interest and Fiscal Charges	0	47,284	0	47,284
<i>Total Expenditures</i>	<u>4,340,892</u>	<u>487,284</u>	<u>7,542</u>	<u>4,835,718</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	420,545	141,811	(7,542)	554,814
Other Financing Sources				
Transfers In	85,000	0	0	85,000
<i>Net Change in Fund Balances</i>	505,545	141,811	(7,542)	639,814
<i>Fund Balances Beginning of Year</i>	<u>642,248</u>	<u>382,199</u>	<u>36,678</u>	<u>1,061,125</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,147,793</u></u>	<u><u>\$524,010</u></u>	<u><u>\$29,136</u></u>	<u><u>\$1,700,939</u></u>

Maple Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Mental Health and Mental Retardation</u>	<u>Public School Support</u>	<u>Local Grants</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$94,221	\$101,497	\$124,465	\$18,580	\$8,286
Accounts Receivable	0	1,838	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Prepaid Items	10,387	0	0	0	0
Inventory Held for Resale	3,338	0	0	0	0
<i>Total Assets</i>	<u>\$107,946</u>	<u>\$103,335</u>	<u>\$124,465</u>	<u>\$18,580</u>	<u>\$8,286</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$1,789	\$4,927	\$0	\$0	\$0
Accrued Wages	7,234	0	0	0	0
Intergovernmental Payable	75	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>9,098</u>	<u>4,927</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	44	1,605	0	2,328	0
Unreserved, Undesignated	98,804	96,803	124,465	16,252	8,286
<i>Total Fund Balances</i>	<u>98,848</u>	<u>98,408</u>	<u>124,465</u>	<u>18,580</u>	<u>8,286</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$107,946</u>	<u>\$103,335</u>	<u>\$124,465</u>	<u>\$18,580</u>	<u>\$8,286</u>

(continued)

Maple Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2004

	<u>Athletics and Music</u>	<u>Auxiliary Services</u>	<u>Professional Development Block Grant</u>	<u>Management Information Systems</u>	<u>Teacher Training and Development</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$80,666	\$39,184	\$5,610	\$8,493	\$19,800
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	39,405	0	0
Prepaid Items	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
<i>Total Assets</i>	<u>\$80,666</u>	<u>\$39,184</u>	<u>\$45,015</u>	<u>\$8,493</u>	<u>\$19,800</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$266	\$0	\$0	\$0	\$0
Accrued Wages	0	5,999	0	0	0
Intergovernmental Payable	0	87	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	15,195	0	0
<i>Total Liabilities</i>	<u>266</u>	<u>6,086</u>	<u>15,195</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	15,406	252	0	0
Unreserved, Undesignated	80,400	17,692	29,568	8,493	19,800
<i>Total Fund Balances</i>	<u>80,400</u>	<u>33,098</u>	<u>29,820</u>	<u>8,493</u>	<u>19,800</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$80,666</u>	<u>\$39,184</u>	<u>\$45,015</u>	<u>\$8,493</u>	<u>\$19,800</u>

<u>Disadvantaged Pupil Program</u>	<u>School Net Professional Development</u>	<u>Textbooks and Instructional Materials</u>	<u>Ohio Reads Grant</u>	<u>Summer School Subsidy</u>	<u>Career Tech and Adult Equipment</u>	<u>Alternative School</u>
\$39,776	\$88,546	\$542	\$32,421	\$78,885	\$10,165	\$0
0	0	0	0	0	0	0
0	0	0	0	31,061	0	11,723
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$39,776</u>	<u>\$88,546</u>	<u>\$542</u>	<u>\$32,421</u>	<u>\$109,946</u>	<u>\$10,165</u>	<u>\$11,723</u>

\$0	\$0	\$0	\$501	\$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	31,061	0	11,723
<u>0</u>	<u>0</u>	<u>0</u>	<u>501</u>	<u>31,061</u>	<u>0</u>	<u>11,723</u>

0	3,000	0	15,911	32,822	0	0
<u>39,776</u>	<u>85,546</u>	<u>542</u>	<u>16,009</u>	<u>46,063</u>	<u>10,165</u>	<u>0</u>
<u>39,776</u>	<u>88,546</u>	<u>542</u>	<u>31,920</u>	<u>78,885</u>	<u>10,165</u>	<u>0</u>
<u>\$39,776</u>	<u>\$88,546</u>	<u>\$542</u>	<u>\$32,421</u>	<u>\$109,946</u>	<u>\$10,165</u>	<u>\$11,723</u>

(continued)

Maple Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2004

	Miscellaneous State Grants	Eisenhower Math and Science	Title VI-B	Carl Perkins Grant	Title I
Assets					
Equity in Pooled Cash and Cash Equivalents	\$59,634	\$4,892	\$0	\$1,756	\$226,723
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	107,559	0	194,420
Prepaid Items	0	0	0	0	3,163
Inventory Held for Resale	0	0	0	0	0
<i>Total Assets</i>	<u>\$59,634</u>	<u>\$4,892</u>	<u>\$107,559</u>	<u>\$1,756</u>	<u>\$424,306</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$2,319	\$0	\$0	\$308	\$61,173
Accrued Wages	0	0	0	0	44,594
Intergovernmental Payable	0	0	0	0	592
Interfund Payable	0	0	17,281	0	0
Deferred Revenue	0	0	54,903	0	194,420
<i>Total Liabilities</i>	<u>2,319</u>	<u>0</u>	<u>72,184</u>	<u>308</u>	<u>300,779</u>
Fund Balances					
Reserved for Encumbrances	1,091	0	0	977	52,606
Unreserved, Undesignated	56,224	4,892	35,375	471	70,921
<i>Total Fund Balances</i>	<u>57,315</u>	<u>4,892</u>	<u>35,375</u>	<u>1,448</u>	<u>123,527</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$59,634</u>	<u>\$4,892</u>	<u>\$107,559</u>	<u>\$1,756</u>	<u>\$424,306</u>

<u>Title V</u>	<u>Drug Free Schools</u>	<u>Preschool Grant</u>	<u>E-Rate Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$11,164	\$27,978	\$5,552	\$73,100	\$1,161,936
0	0	0	0	0	1,838
45,239	25,568	0	0	197,861	652,836
0	0	0	0	655	14,205
0	0	0	0	0	3,338
<u>\$45,239</u>	<u>\$36,732</u>	<u>\$27,978</u>	<u>\$5,552</u>	<u>\$271,616</u>	<u>\$1,834,153</u>
\$0	\$0	\$0	\$0	\$0	\$71,283
0	0	0	0	5,141	62,968
0	0	0	0	75	829
7,483	0	0	0	0	24,764
10,931	25,568	0	0	182,715	526,516
<u>18,414</u>	<u>25,568</u>	<u>0</u>	<u>0</u>	<u>187,931</u>	<u>686,360</u>
0	0	0	357	42,026	168,425
26,825	11,164	27,978	5,195	41,659	979,368
<u>26,825</u>	<u>11,164</u>	<u>27,978</u>	<u>5,552</u>	<u>83,685</u>	<u>1,147,793</u>
<u>\$45,239</u>	<u>\$36,732</u>	<u>\$27,978</u>	<u>\$5,552</u>	<u>\$271,616</u>	<u>\$1,834,153</u>

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

	Food Service	Uniform School Supplies	Mental Health and Mental Retardation	Public School Support
Revenues				
Intergovernmental	\$748,516	\$0	\$123,880	\$0
Charges for Services	608,126	0	0	0
Tuition and Fees	0	115,102	0	0
Extracurricular Activities	0	0	0	4,685
Contributions and Donations	0	0	0	30,142
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>1,356,642</u>	<u>115,102</u>	<u>123,880</u>	<u>34,827</u>
Expenditures				
Current:				
Instruction:				
Regular	0	110,328	0	0
Special	0	0	350	0
Vocational	0	21,011	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	44,261
Food Service Operations	1,391,413	0	0	0
<i>Total Expenditures</i>	<u>1,391,413</u>	<u>131,339</u>	<u>350</u>	<u>44,261</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(34,771)	(16,237)	123,530	(9,434)
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(34,771)	(16,237)	123,530	(9,434)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>133,619</u>	<u>114,645</u>	<u>935</u>	<u>28,014</u>
<i>Fund Balances End of Year</i>	<u><u>\$98,848</u></u>	<u><u>\$98,408</u></u>	<u><u>\$124,465</u></u>	<u><u>\$18,580</u></u>

<u>Local Grants</u>	<u>Athletics and Music</u>	<u>Auxiliary Services</u>	<u>Professional Development Block Grant</u>	<u>Management Information Systems</u>	<u>Teacher Training and Development</u>	<u>Disadvantaged Pupil Program</u>
\$8,304	\$0	\$203,910	\$32,860	\$13,625	\$19,800	\$527,158
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	68,946	0	0	0	0	0
0	3,118	0	0	0	0	0
0	8,765	0	0	0	0	0
<u>8,304</u>	<u>80,829</u>	<u>203,910</u>	<u>32,860</u>	<u>13,625</u>	<u>19,800</u>	<u>527,158</u>
3,002	0	0	0	0	0	446,341
0	0	0	0	0	0	142
0	0	0	0	0	0	0
3,732	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	3,040	0	0	0
0	0	0	0	0	0	0
0	0	0	0	42,911	0	0
0	0	0	0	0	0	0
0	0	0	0	491	0	0
0	0	240,031	0	0	0	0
0	139,304	0	0	0	0	0
0	0	0	0	0	0	0
<u>6,734</u>	<u>139,304</u>	<u>240,031</u>	<u>3,040</u>	<u>43,402</u>	<u>0</u>	<u>446,483</u>
1,570	(58,475)	(36,121)	29,820	(29,777)	19,800	80,675
<u>0</u>	<u>85,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,570	26,525	(36,121)	29,820	(29,777)	19,800	80,675
<u>6,716</u>	<u>53,875</u>	<u>69,219</u>	<u>0</u>	<u>38,270</u>	<u>0</u>	<u>(40,899)</u>
<u>\$8,286</u>	<u>\$80,400</u>	<u>\$33,098</u>	<u>\$29,820</u>	<u>\$8,493</u>	<u>\$19,800</u>	<u>\$39,776</u>

(continued)

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

	<u>School Net Professional Development</u>	<u>Textbooks and Instructional Materials</u>	<u>Ohio Reads Grant</u>	<u>Summer School Subsidy</u>
Revenues				
Intergovernmental	\$22,140	\$0	\$39,000	\$81,530
Charges for Services	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>22,140</u>	<u>0</u>	<u>39,000</u>	<u>81,530</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	32,064	16,099
Special	0	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	3,000	0	4,066	4,494
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Food Service Operations	0	0	0	0
<i>Total Expenditures</i>	<u>3,000</u>	<u>0</u>	<u>36,130</u>	<u>20,593</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	19,140	0	2,870	60,937
Other Financing Sources				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	19,140	0	2,870	60,937
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>69,406</u>	<u>542</u>	<u>29,050</u>	<u>17,948</u>
<i>Fund Balances End of Year</i>	<u><u>\$88,546</u></u>	<u><u>\$542</u></u>	<u><u>\$31,920</u></u>	<u><u>\$78,885</u></u>

<u>Career Tech and Adult Equipment</u>	<u>Alternative School</u>	<u>Miscellaneous State Grants</u>	<u>Eisenhower Math and Science</u>	<u>Title VI-B</u>
\$0	\$46,509	\$3,720	\$0	\$847,256
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>0</u>	<u>46,509</u>	<u>3,720</u>	<u>0</u>	<u>847,256</u>
0	0	8,152	0	0
0	0	0	0	813,130
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	500	0	0	0
0	0	0	0	0
0	47,609	0	0	0
0	0	0	0	0
0	0	0	0	8,079
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>48,109</u>	<u>8,152</u>	<u>0</u>	<u>821,209</u>
0	(1,600)	(4,432)	0	26,047
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	(1,600)	(4,432)	0	26,047
<u>10,165</u>	<u>1,600</u>	<u>61,747</u>	<u>4,892</u>	<u>9,328</u>
<u>\$10,165</u>	<u>\$0</u>	<u>\$57,315</u>	<u>\$4,892</u>	<u>\$35,375</u>

(continued)

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

	Carl Perkins Grant	Title I	Title V	Drug Free Schools
Revenues				
Intergovernmental	\$94,005	\$639,136	\$40,443	\$2,418
Charges for Services	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>94,005</u>	<u>639,136</u>	<u>40,443</u>	<u>2,418</u>
Expenditures				
Current:				
Instruction:				
Regular	0	120,145	0	0
Special	0	216,667	0	0
Vocational	47,606	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	3,100	0	0	0
Instructional Staff	10,640	199,121	0	0
Administration	0	1,056	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	3,232	0	0	0
Operation of Non-instructional Services	0	1,933	14,498	0
Extracurricular Activities	0	0	0	0
Food Service Operations	0	0	0	0
<i>Total Expenditures</i>	<u>64,578</u>	<u>538,922</u>	<u>14,498</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	29,427	100,214	25,945	2,418
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	29,427	100,214	25,945	2,418
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(27,979)</u>	<u>23,313</u>	<u>880</u>	<u>8,746</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,448</u></u>	<u><u>\$123,527</u></u>	<u><u>\$26,825</u></u>	<u><u>\$11,164</u></u>

Preschool Grant	E-Rate Grant	Continuous Improvement	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$48,256	\$0	\$0	\$380,087	\$3,922,553
0	0	0	0	608,126
0	0	0	0	115,102
0	0	0	0	73,631
0	0	0	0	33,260
0	0	0	0	8,765
<u>48,256</u>	<u>0</u>	<u>0</u>	<u>380,087</u>	<u>4,761,437</u>
0	0	7,441	287,377	1,030,949
28,674	0	0	0	1,058,963
0	0	0	0	68,617
0	0	0	0	3,732
0	0	0	4,628	7,728
0	0	0	0	224,361
0	0	0	0	1,556
0	11,224	0	0	54,135
0	0	0	0	47,609
0	0	0	0	3,723
0	0	0	0	264,541
0	0	0	0	183,565
0	0	0	0	1,391,413
<u>28,674</u>	<u>11,224</u>	<u>7,441</u>	<u>292,005</u>	<u>4,340,892</u>
19,582	(11,224)	(7,441)	88,082	420,545
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85,000</u>
19,582	(11,224)	(7,441)	88,082	505,545
<u>8,396</u>	<u>16,776</u>	<u>7,441</u>	<u>(4,397)</u>	<u>642,248</u>
<u>\$27,978</u>	<u>\$5,552</u>	<u>\$0</u>	<u>\$83,685</u>	<u>\$1,147,793</u>

Statement - 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.

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.

Maple Heights City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2004

	Beginning Balance <u>June 30, 2003</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>June 30, 2004</u>
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$55,052</u>	<u>\$4,811</u>	<u>\$0</u>	<u>\$59,863</u>
Liabilities				
Due to Students	<u>\$55,052</u>	<u>\$4,811</u>	<u>\$0</u>	<u>\$59,863</u>

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

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$12,954,669	\$13,567,474	\$13,580,401	\$12,927
Intergovernmental	14,677,078	15,369,119	15,402,429	33,310
Interest	46,899	49,117	49,324	207
Charges for Services	32,004	32,004	34,918	2,914
Tuition and Fees	882,032	925,270	923,273	(1,997)
Extracurricular Activities	2,911	3,049	3,187	138
Miscellaneous	314,282	331,387	311,992	(19,395)
<i>Total Revenues</i>	<u>28,909,875</u>	<u>30,277,420</u>	<u>30,305,524</u>	<u>28,104</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	7,058,046	7,266,754	7,213,128	53,626
Fringe Benefits	2,231,954	2,297,954	2,281,104	16,850
Purchased Services	1,621,975	1,667,956	1,656,451	11,505
Materials and Supplies	267,808	275,727	273,705	2,022
Capital Outlay	121,769	125,797	124,878	919
Total Regular	<u>11,301,552</u>	<u>11,634,188</u>	<u>11,549,266</u>	<u>84,922</u>
Special:				
Salaries	1,866,720	1,921,919	1,907,827	14,092
Fringe Benefits	590,311	607,766	603,310	4,456
Purchased Services	215,194	221,557	219,932	1,625
Materials and Supplies	2,929	3,016	2,994	22
Total Special	<u>2,675,154</u>	<u>2,754,258</u>	<u>2,734,063</u>	<u>20,195</u>
Vocational:				
Salaries	845,628	870,633	864,250	6,383
Fringe Benefits	267,411	275,319	273,300	2,019
Purchased Services	189,079	194,670	193,243	1,427
Materials and Supplies	61,541	63,361	62,896	465
Capital Outlay	8,352	8,599	8,536	63
Other	175	180	179	1
Total Vocational	<u>1,372,186</u>	<u>1,412,762</u>	<u>1,402,404</u>	<u>10,358</u>
Total Instruction	<u>\$15,348,892</u>	<u>\$15,801,208</u>	<u>\$15,685,733</u>	<u>\$115,475</u>

(continued)

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support Services:				
Pupil:				
Salaries	\$930,538	\$958,054	\$951,029	\$7,025
Fringe Benefits	294,262	302,963	300,742	2,221
Purchased Services	338,803	348,822	346,264	2,558
Materials and Supplies	46,355	47,726	47,376	350
Capital Outlay	3,107	3,198	3,175	23
Other	264	272	270	2
Total Pupil	<u>1,613,329</u>	<u>1,661,035</u>	<u>1,648,856</u>	<u>12,179</u>
Instructional Staff:				
Salaries	203,732	209,756	208,219	1,537
Fringe Benefits	64,456	66,362	65,875	487
Materials and Supplies	489,531	504,006	500,311	3,695
Capital Outlay	2,797	2,880	2,859	21
Other	514	529	525	4
Total Instructional Staff	<u>761,030</u>	<u>783,533</u>	<u>777,789</u>	<u>5,744</u>
Board of Education:				
Salaries	13,229	13,620	13,520	100
Purchased Services	3,726	3,836	3,808	28
Materials and Supplies	2,496	2,570	2,551	19
Other	11,072	11,400	11,316	84
Total Board of Education	<u>30,523</u>	<u>31,426</u>	<u>31,195</u>	<u>231</u>
Administration:				
Salaries	1,687,902	1,737,814	1,725,071	12,743
Fringe Benefits	605,099	622,992	618,424	4,568
Purchased Services	459,538	473,126	469,657	3,469
Materials and Supplies	103,440	106,499	105,718	781
Other	6,928	7,133	7,081	52
Total Administration	<u>2,862,907</u>	<u>2,947,564</u>	<u>2,925,951</u>	<u>21,613</u>
Fiscal:				
Salaries	267,392	275,299	273,280	2,019
Fringe Benefits	125,045	128,743	127,799	944
Purchased Services	236,361	243,350	241,566	1,784
Materials and Supplies	30,278	31,174	30,945	229
Capital Outlay	27,879	28,703	28,493	210
Other	308,460	317,582	315,253	2,329
Total Fiscal	<u>\$995,415</u>	<u>\$1,024,851</u>	<u>\$1,017,336</u>	<u>\$7,515</u>

(continued)

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Business:				
Salaries	\$238,608	\$245,663	\$243,862	\$1,801
Fringe Benefits	113,194	116,542	115,687	855
Purchased Services	88,052	90,656	89,991	665
Materials and Supplies	139,645	143,774	142,720	1,054
Capital Outlay	189,138	194,731	193,303	1,428
Other	8,293	8,539	8,476	63
Total Business	<u>776,930</u>	<u>799,905</u>	<u>794,039</u>	<u>5,866</u>
Operation and Maintenance of Plant:				
Salaries	1,516,186	1,561,020	1,549,574	11,446
Fringe Benefits	703,292	724,088	718,779	5,309
Purchased Services	1,810,744	1,864,288	1,850,618	13,670
Materials and Supplies	190,387	196,017	194,580	1,437
Capital Outlay	303,681	312,661	310,368	2,293
Total Operation and Maintenance of Plant	<u>4,524,290</u>	<u>4,658,074</u>	<u>4,623,919</u>	<u>34,155</u>
Pupil Transportation:				
Salaries	484,826	499,162	495,502	3,660
Fringe Benefits	224,889	231,539	229,841	1,698
Purchased Services	350,691	361,061	358,414	2,647
Materials and Supplies	81,738	84,155	83,538	617
Capital Outlay	294,026	302,721	300,501	2,220
Other	19,857	20,444	20,294	150
Total Pupil Transportation	<u>1,456,027</u>	<u>1,499,082</u>	<u>1,488,090</u>	<u>10,992</u>
Central:				
Purchased Services	1,753	1,805	1,792	13
Materials and Supplies	3,807	3,920	3,891	29
Total Central	<u>5,560</u>	<u>5,725</u>	<u>5,683</u>	<u>42</u>
Total Support Services	<u>13,026,011</u>	<u>13,411,195</u>	<u>13,312,858</u>	<u>98,337</u>
Extracurricular Activities:				
Academic Oriented:				
Purchased Services	59,930	61,702	61,250	452
Materials and Supplies	4,365	4,494	4,460	34
Total Academic Oriented	<u>\$64,295</u>	<u>\$66,196</u>	<u>\$65,710</u>	<u>\$486</u>

(continued)

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Sports Oriented:				
Salaries	\$283,422	\$291,803	\$289,663	\$2,140
Fringe Benefits	70,528	72,613	72,081	532
Purchased Services	3,133	3,226	3,203	23
Total Sports Oriented	<u>357,083</u>	<u>367,642</u>	<u>364,947</u>	<u>2,695</u>
School and Public Service:				
Salaries	171,113	176,173	174,881	1,292
Total Extracurricular Activities	<u>592,491</u>	<u>610,011</u>	<u>605,538</u>	<u>4,473</u>
Capital Outlay:				
Building Acquisition:				
Other	4,059	4,179	4,148	31
Other Facilities Acquisition:				
Purchased Services	43,015	44,287	43,962	325
Total Capital Outlay	<u>47,074</u>	<u>48,466</u>	<u>48,110</u>	<u>356</u>
Debt Service:				
Principal Retirement	3,607,558	3,714,235	3,683,000	31,235
Interest and Fiscal Charges	50,889	52,394	56,009	(3,615)
Total Debt Service	<u>3,658,447</u>	<u>3,766,629</u>	<u>3,739,009</u>	<u>27,620</u>
<i>Total Expenditures</i>	<u>32,672,915</u>	<u>33,637,509</u>	<u>33,391,248</u>	<u>246,261</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,763,040)</u>	<u>(3,360,089)</u>	<u>(3,085,724)</u>	<u>274,365</u>
Other Financing Sources (Uses)				
Notes Issued	3,433,943	3,596,381	3,600,246	3,865
Transfers Out	(85,000)	(85,000)	(85,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,348,943</u>	<u>3,511,381</u>	<u>3,515,246</u>	<u>3,865</u>
<i>Net Change in Fund Balance</i>	(414,097)	151,292	429,522	278,230
<i>Fund Balance Beginning of Year</i>	313,982	313,982	313,982	0
Prior Year Encumbrances Appropriated	<u>51,515</u>	<u>51,515</u>	<u>51,515</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$48,600)</u>	<u>\$516,789</u>	<u>\$795,019</u>	<u>\$278,230</u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes			
Property Taxes	\$179,733	\$153,057	(\$26,676)
Intergovernmental	62,236	52,999	(9,237)
Interest	167	167	0
<i>Total Revenues</i>	<i>242,136</i>	<i>206,223</i>	<i>(35,913)</i>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Materials and Supplies	191,348	174,391	16,957
Capital Outlay	1,505,579	1,372,154	133,425
Total Support Services	1,696,927	1,546,545	150,382
Capital Outlay:			
Building Improvements:			
Capital Outlay	9,773	0	9,773
Other Facilities Acquisition:			
Capital Outlay	100,500	100,500	0
Total Capital Outlay	110,273	100,500	9,773
Debt Service:			
Bond Issuance Costs	12,892	12,892	0
<i>Total Expenditures</i>	<i>1,820,092</i>	<i>1,659,937</i>	<i>160,155</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(1,577,956)</i>	<i>(1,453,714)</i>	<i>124,242</i>
Other Financing Sources			
Notes Issued	1,414,238	1,203,000	(211,238)
Notes Premium	21,729	21,729	0
<i>Total Other Financing Sources</i>	<i>1,435,967</i>	<i>1,224,729</i>	<i>(211,238)</i>
<i>Net Change in Fund Balance</i>	<i>(141,989)</i>	<i>(228,985)</i>	<i>(86,996)</i>
<i>Fund Balance Beginning of Year</i>	108,931	108,931	0
Prior Year Encumbrances Appropriated	123,840	123,840	0
<i>Fund Balance End of Year</i>	<i>\$90,782</i>	<i>\$3,786</i>	<i>(\$86,996)</i>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$684,700	\$731,558	\$46,858
Charges for Services	569,786	609,506	39,720
<i>Total Revenues</i>	<u>1,254,486</u>	<u>1,341,064</u>	<u>86,578</u>
Expenditures			
Current:			
Food Services Operations:			
Salaries	557,871	554,627	3,244
Fringe Benefits	208,551	207,338	1,213
Purchased Services	12,045	11,975	70
Materials and Supplies	519,101	516,082	3,019
Capital Outlay	8,746	8,695	51
Other	3,155	3,137	18
<i>Total Expenditures</i>	<u>1,309,469</u>	<u>1,301,854</u>	<u>7,615</u>
<i>Net Change in Fund Balance</i>	(54,983)	39,210	94,193
<i>Fund Balance Beginning of Year</i>	54,950	54,950	0
Prior Year Encumbrances Appropriated	<u>17</u>	<u>17</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$16)</u></u>	<u><u>\$94,177</u></u>	<u><u>\$94,193</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$115,000	\$116,402	\$1,402
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	129,564	111,933	17,631
Vocational:			
Materials and Supplies	24,320	21,011	3,309
<i>Total Expenditures</i>	153,884	132,944	20,940
<i>Net Change in Fund Balance</i>	(38,884)	(16,542)	22,342
<i>Fund Balance Beginning of Year</i>	105,868	105,868	0
Prior Year Encumbrances Appropriated	5,639	5,639	0
<i>Fund Balance End of Year</i>	\$72,623	\$94,965	\$22,342

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Health and Mental Retardation Fund
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$75,000	\$123,880	\$48,880
 Expenditures			
Current:			
Instruction:			
Special:			
Capital Outlay	<u>60,382</u>	<u>350</u>	<u>60,032</u>
 <i>Net Change in Fund Balance</i>	14,618	123,530	108,912
 <i>Fund Balance Beginning of Year</i>	553	553	0
 Prior Year Encumbrances Appropriated	<u>382</u>	<u>382</u>	<u>0</u>
 <i>Fund Balance End of Year</i>	<u><u>\$15,553</u></u>	<u><u>\$124,465</u></u>	<u><u>\$108,912</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$4,705	\$4,685	(\$20)
Contributions and Donations	30,295	30,169	(126)
<i>Total Revenues</i>	<u>35,000</u>	<u>34,854</u>	<u>(146)</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic Oriented:			
Materials and Supplies	42,689	40,787	1,902
Capital Outlay	6,073	5,802	271
<i>Total Expenditures</i>	<u>48,762</u>	<u>46,589</u>	<u>2,173</u>
<i>Net Change in Fund Balance</i>	(13,762)	(11,735)	2,027
<i>Fund Balance Beginning of Year</i>	27,565	27,565	0
Prior Year Encumbrances Appropriated	421	421	0
<i>Fund Balance End of Year</i>	<u><u>\$14,224</u></u>	<u><u>\$16,251</u></u>	<u><u>\$2,027</u></u>

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$35,000	\$10,762	(\$24,238)
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	6,124	3,002	3,122
Adult/Continuing:			
Materials and Supplies	1,020	500	520
Capital Outlay	6,593	3,232	3,361
Total Adult/Continuing	7,613	3,732	3,881
<i>Total Expenditures</i>	13,737	6,734	7,003
<i>Net Change in Fund Balance</i>	21,263	4,028	(17,235)
<i>Fund Balance Beginning of Year</i>	4,258	4,258	0
<i>Fund Balance End of Year</i>	\$25,521	\$8,286	(\$17,235)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$29,855	\$68,946	\$39,091
Contributions and Donations	1,350	3,118	1,768
Miscellaneous	3,795	8,765	4,970
<i>Total Revenues</i>	<u>35,000</u>	<u>80,829</u>	<u>45,829</u>
Expenditures			
Current:			
Extracurricular Activities:			
Occupational Oriented:			
Materials and Supplies	9,132	9,132	0
Sport Oriented Activities:			
Salaries	13,464	13,600	(136)
Fringe Benefits	857	866	(9)
Purchased Services	5,993	6,054	(61)
Materials and Supplies	76,350	77,216	(866)
Capital Outlay	16,018	16,180	(162)
Other	8,683	8,844	(161)
Total Sport Oriented Activities	<u>121,365</u>	<u>122,760</u>	<u>(1,395)</u>
School and Public Service Co-Curricular Activities:			
Other	7,146	7,146	0
<i>Total Expenditures</i>	<u>137,643</u>	<u>139,038</u>	<u>(1,395)</u>
<i>Excess of Revenues Under Expenditures</i>	(102,643)	(58,209)	44,434
Other Financing Sources			
Transfers In	85,000	85,000	0
<i>Net Change in Fund Balance</i>	(17,643)	26,791	44,434
<i>Fund Balance Beginning of Year</i>	<u>53,873</u>	<u>53,873</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$36,230</u></u>	<u><u>\$80,664</u></u>	<u><u>\$44,434</u></u>

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$215,000	\$203,910	(\$11,090)
 Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries	68,571	51,294	17,277
Fringe Benefits	10,517	7,867	2,650
Purchased Services	121,281	90,723	30,558
Materials and Supplies	109,044	81,569	27,475
Capital Outlay	15,970	11,946	4,024
Other	19,079	14,272	4,807
 <i>Total Expenditures</i>	<u>344,462</u>	<u>257,671</u>	<u>86,791</u>
 <i>Net Change in Fund Balance</i>	(129,462)	(53,761)	75,701
 <i>Fund Balance Beginning of Year</i>	14,519	14,519	0
 Prior Year Encumbrances Appropriated	<u>63,018</u>	<u>63,018</u>	<u>0</u>
 <i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$51,925)</u></u>	<u><u>\$23,776</u></u>	<u><u>\$75,701</u></u>

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Professional Development Block Grant Fund
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$0	\$8,650	\$8,650
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	<u>0</u>	<u>3,292</u>	<u>(3,292)</u>
<i>Net Change in Fund Balance</i>	0	5,358	5,358
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$5,358</u></u>	<u><u>\$5,358</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$13,132	\$13,625	\$493
Expenditures			
Current:			
Support Services:			
Fiscal:			
Capital Outlay	51,271	42,911	8,360
Central:			
Capital Outlay	491	491	0
<i>Total Expenditures</i>	51,762	43,402	8,360
<i>Net Change in Fund Balance</i>	(38,630)	(29,777)	8,853
<i>Fund Balance Beginning of Year</i>	37,910	37,910	0
Prior Year Encumbrances Appropriated	360	360	0
<i>Fund Balance (Deficit) End of Year</i>	(\$360)	\$8,493	\$8,853

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$19,800	\$19,800
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	19,800	19,800
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$19,800</u></u>	<u><u>\$19,800</u></u>

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Program Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$497,025	\$527,158	\$30,133
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	507,882	498,591	9,291
Fringe Benefits	19,131	18,781	350
Total Regular	527,013	517,372	9,641
Special:			
Materials and Supplies	145	142	3
<i>Total Expenditures</i>	527,158	517,514	9,644
<i>Net Change in Fund Balance</i>	(30,133)	9,644	39,777
<i>Fund Balance Beginning of Year</i>	30,133	30,133	0
<i>Fund Balance End of Year</i>	\$0	\$39,777	\$39,777

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$47,000	\$22,140	(\$24,860)
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	<u>91,500</u>	<u>6,000</u>	<u>85,500</u>
<i>Net Change in Fund Balance</i>	(44,500)	16,140	60,640
<i>Fund Balance Beginning of Year</i>	<u>69,406</u>	<u>69,406</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,906</u></u>	<u><u>\$85,546</u></u>	<u><u>\$60,640</u></u>

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbooks and Instructional Materials Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>542</u>	<u>542</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$542</u></u>	<u><u>\$542</u></u>	<u><u>\$0</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$36,579	\$39,000	\$2,421
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	81,104	47,327	33,777
Support Services:			
Instructional Staff:			
Salaries	9,734	4,000	5,734
Materials and Supplies	714	714	0
Total Support Services	10,448	4,714	5,734
<i>Total Expenditures</i>	91,552	52,041	39,511
<i>Net Change in Fund Balance</i>	(54,973)	(13,041)	41,932
<i>Fund Balance Beginning of Year</i>	3,128	3,128	0
Prior Year Encumbrances Appropriated	25,922	25,922	0
<i>Fund Balance (Deficit) End of Year</i>	(\$25,923)	\$16,009	\$41,932

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$35,000	\$81,530	\$46,530
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	9,672	14,000	(4,328)
Materials and Supplies	1,450	2,099	(649)
Total Regular	11,122	16,099	(4,977)
Support Services:			
Instructional Staff:			
Materials and Supplies	26,470	37,316	(10,846)
<i>Total Expenditures</i>	37,592	53,415	(15,823)
<i>Net Change in Fund Balance</i>	(2,592)	28,115	30,707
<i>Fund Balance Beginning of Year</i>	17,948	17,948	0
<i>Fund Balance End of Year</i>	\$15,356	\$46,063	\$30,707

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Career Tech and Adult Equipment Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$0	\$0
Expenditures			
Current:			
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	10,165	0	10,165
<i>Net Change in Fund Balance</i>	(10,165)	0	10,165
<i>Fund Balance Beginning of Year</i>	10,165	10,165	0
<i>Fund Balance End of Year</i>	\$0	\$10,165	\$10,165

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$63,600	\$46,509	(\$17,091)
Expenditures			
Current:			
Support Services:			
Administration:			
Salaries	500	500	0
Operation and Maintenance of Plant:			
Purchased Services	58,304	47,609	10,695
<i>Total Expenditures</i>	58,804	48,109	10,695
<i>Net Change in Fund Balance</i>	4,796	(1,600)	(6,396)
<i>Fund Balance Beginning of Year</i>	1,600	1,600	0
<i>Fund Balance End of Year</i>	\$6,396	\$0	(\$6,396)

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$50,000	\$3,720	(\$46,280)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	34	5	29
Materials and Supplies	61,980	9,238	52,742
<i>Total Expenditures</i>	62,014	9,243	52,771
<i>Net Change in Fund Balance</i>	(12,014)	(5,523)	6,491
<i>Fund Balance Beginning of Year</i>	61,004	61,004	0
Prior Year Encumbrances Appropriated	744	744	0
<i>Fund Balance End of Year</i>	\$49,734	\$56,225	\$6,491

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Math and Science Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$14,000	\$0	(\$14,000)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	14,000	0	(14,000)
<i>Fund Balance Beginning of Year</i>	<u>4,891</u>	<u>4,891</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,891</u></u>	<u><u>\$4,891</u></u>	<u><u>(\$14,000)</u></u>

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$833,815	\$794,600	(\$39,215)
Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	851,344	817,178	34,166
Operation of Non-Instructional Services:			
Community Services:			
Fringe Benefits	590	566	24
Materials and Supplies	7,827	7,513	314
Total Operation of Non-Instructional Services	8,417	8,079	338
<i>Total Expenditures</i>	859,761	825,257	34,504
<i>Net Change in Fund Balance</i>	(25,946)	(30,657)	(4,711)
<i>Fund Balance Beginning of Year</i>	805	805	0
Prior Year Encumbrances Appropriated	12,571	12,571	0
<i>Fund Balance (Deficit) End of Year</i>	(\$12,570)	(\$17,281)	(\$4,711)

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Carl Perkins Grant Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$99,976	\$94,005	(\$5,971)
Expenditures			
Current:			
Instruction:			
Vocational:			
Materials and Supplies	8,192	7,374	818
Capital Outlay	44,955	40,465	4,490
Total Instruction	53,147	47,839	5,308
Support Services:			
Pupils:			
Materials and Supplies	4,271	3,844	427
Instructional Staff:			
Purchased Services	11,821	10,640	1,181
Central:			
Purchased Services	1,222	1,100	122
Materials and Supplies	2,369	2,132	237
Total Central	3,591	3,232	359
Total Support Services	19,683	17,716	1,967
<i>Total Expenditures</i>	72,830	65,555	7,275
<i>Net Change in Fund Balance</i>	27,146	28,450	1,304
<i>Fund Balance (Deficit) Beginning of Year</i>	(28,805)	(28,805)	0
Prior Year Encumbrances Appropriated	829	829	0
<i>Fund Balance (Deficit) End of Year</i>	(\$830)	\$474	\$1,304

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$396,565	\$639,136	\$242,571
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	69,870	90,867	(20,997)
Materials and Supplies	36,846	47,919	(11,073)
Total Regular	106,716	138,786	(32,070)
Special:			
Salaries	72,717	94,569	(21,852)
Fringe Benefits	38,802	50,462	(11,660)
Purchased Services	50,705	65,942	(15,237)
Materials and Supplies	3,085	4,012	(927)
Total Special	165,309	214,985	(49,676)
Total Instruction	272,025	353,771	(81,746)
Support Services:			
Instructional Staff:			
Materials and Supplies	153,113	199,126	(46,013)
Administration:			
Purchased Services	812	1,056	(244)
Total Support Services	153,925	200,182	(46,257)
Operation of Non-Instructional Services:			
Community Services:			
Salaries	1,486	1,933	(447)
Total Expenditures	427,436	555,886	(128,450)
Net Change in Fund Balance	(30,871)	83,250	114,121
Fund Balance Beginning of Year	30,872	30,872	0
Fund Balance End of Year	\$1	\$114,122	\$114,121

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$29,000	\$6,135	(\$22,865)
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	3,983	3,602	381
Capital Outlay	12,050	10,896	1,154
<i>Total Expenditures</i>	16,033	14,498	1,535
<i>Net Change in Fund Balance</i>	12,967	(8,363)	(21,330)
<i>Fund Balance Beginning of Year</i>	775	775	0
Prior Year Encumbrances Appropriated	105	105	0
<i>Fund Balance (Deficit) End of Year</i>	\$13,847	(\$7,483)	(\$21,330)

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$35,000	\$2,418	(\$32,582)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	25,000	2,418	(22,582)
<i>Fund Balance Beginning of Year</i>	<u>8,746</u>	<u>8,746</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$33,746</u></u>	<u><u>\$11,164</u></u>	<u><u>(\$22,582)</u></u>

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grant Fund
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$30,000	\$48,256	\$18,256
 Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	<u>33,674</u>	<u>28,674</u>	<u>5,000</u>
 <i>Net Change in Fund Balance</i>	(3,674)	19,582	23,256
 <i>Fund Balance Beginning of Year</i>	<u>8,396</u>	<u>8,396</u>	<u>0</u>
 <i>Fund Balance End of Year</i>	<u><u>\$4,722</u></u>	<u><u>\$27,978</u></u>	<u><u>\$23,256</u></u>

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
E-Rate Grant Fund
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$11,000	\$0	(\$11,000)
Expenditures			
Current:			
Support Services:			
Fiscal:			
Purchased Services	<u>15,284</u>	<u>11,581</u>	<u>3,703</u>
<i>Net Change in Fund Balance</i>	(4,284)	(11,581)	(7,297)
<i>Fund Balance Beginning of Year</i>	<u>16,776</u>	<u>16,776</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,492</u></u>	<u><u>\$5,195</u></u>	<u><u>(\$7,297)</u></u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$15,000	\$0	(\$15,000)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	<u>7,441</u>	<u>7,441</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	7,559	(7,441)	(15,000)
<i>Fund Balance Beginning of Year</i>	<u>7,441</u>	<u>7,441</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$15,000)</u></u>

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$356,509	\$364,941	\$8,432
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	18,246	16,565	1,681
Fringe Benefits	14,141	12,839	1,302
Purchased Services	89,266	80,620	8,646
Materials and Supplies	1,938	1,761	177
Capital Outlay	195,185	219,238	(24,053)
Total Instruction	318,776	331,023	(12,247)
Support Services:			
Pupils:			
Purchased Services	4,628	4,628	0
<i>Total Expenditures</i>	323,404	335,651	(12,247)
<i>Net Change in Fund Balance</i>	33,105	29,290	(3,815)
<i>Fund Balance Beginning of Year</i>	1,784	1,784	0
<i>Fund Balance End of Year</i>	\$34,889	\$31,074	(\$3,815)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	\$487,792	\$555,999	\$68,207
Intergovernmental	33,971	38,721	4,750
<i>Total Revenues</i>	<u>521,763</u>	<u>594,720</u>	<u>72,957</u>
Expenditures			
Debt Service:			
Principal Retirement	440,000	440,000	0
Interest and Fiscal Charges	47,284	47,284	0
<i>Total Expenditures</i>	<u>487,284</u>	<u>487,284</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	34,479	107,436	72,957
<i>Fund Balance Beginning of Year</i>	<u>355,270</u>	<u>355,270</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$389,749</u></u>	<u><u>\$462,706</u></u>	<u><u>\$72,957</u></u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	<u>\$60,000</u>	<u>\$0</u>	<u>(\$60,000)</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	22,325	4,872	17,453
Capital Outlay	<u>12,234</u>	<u>2,670</u>	<u>9,564</u>
<i>Total Expenditures</i>	<u>34,559</u>	<u>7,542</u>	<u>27,017</u>
<i>Net Change in Fund Balance</i>	25,441	(7,542)	(32,983)
<i>Fund Balance Beginning of Year</i>	<u>36,677</u>	<u>36,677</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$62,118</u></u>	<u><u>\$29,135</u></u>	<u><u>(\$32,983)</u></u>

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Maple Heights City School District
*Governmental Activities Revenues by Source
and Expenses by Function - Full Accrual Basis
Last Three Fiscal Years*

	2004	2003	2002
Program Revenues			
Charges for Services	\$1,745,027	\$1,387,199	\$1,519,806
Operating Grants and Contributions	3,656,977	3,060,312	2,510,346
Capital Grants and Contributions	7,186	10,165	62,798
General Revenues			
Property Taxes (1)	16,506,121	9,997,283	14,798,209
Intergovernmental	15,486,963	14,505,903	14,957,255
Interest	53,631	24,003	97,110
Miscellaneous	318,334	267,952	108,026
Total	\$37,774,239	\$29,252,817	\$34,053,550
Expenses			
Current:			
Instruction:			
Regular	\$12,520,897	\$11,803,010	\$12,181,673
Special	3,998,714	3,292,012	3,902,191
Vocational	1,494,061	1,022,744	1,575,190
Adult/Continuing	3,732	4,884	0
Support Services:			
Pupil	1,648,119	1,112,096	1,247,504
Instructional Staff	968,426	382,115	652,149
Board of Education	33,943	20,051	45,792
Administration	2,919,834	3,248,639	3,228,317
Fiscal	1,064,745	1,957,935	840,566
Business	783,803	500,569	539,565
Operation and Maintenance of Plant	4,564,071	3,507,919	4,395,384
Pupil Transportation	1,255,010	1,224,932	1,477,070
Central	9,406	11,436	15,448
Operation of Non-Instructional Services	263,157	208,017	257,933
Food Service Operations	1,365,444	1,235,949	1,726,348
Extracurricular Activities	833,879	684,508	661,676
Interest and Fiscal Charges	98,534	128,592	211,091
Total	\$33,825,775	\$30,345,408	\$32,957,897

Source: School District Financial Records

(1) Includes all taxes

Maple Heights City School District
General Fund Revenues by Source
and Expenditures by Function - Modified Accrual Basis (1)
Last Ten Fiscal Years

	2004 (2)	2003 (2)	2002 (2)	2001 (2)
Revenues				
Property Taxes	\$15,308,688	\$9,235,898	\$14,105,785	\$11,550,438
Intergovernmental	15,402,429	14,960,104	14,788,804	12,871,124
Interest	53,464	24,003	87,110	281,272
Charges for Services	34,918	6,463	9,256	6,705
Tuition and Fees	910,063	515,250	491,306	461,604
Contributions and Donations	0	0	0	0
Extracurricular Activities	3,187	4,615	1,734	0
Rentals	0	590	650	0
Miscellaneous	309,569	304,232	106,292	186,896
Total	\$32,022,318	\$25,051,155	\$29,590,937	\$25,358,039

Expenditures

Current:

Instruction:				
Regular	\$11,617,635	\$10,729,759	\$11,193,107	\$10,327,314
Special	2,956,705	3,196,695	3,337,368	2,541,803
Vocational	1,424,482	942,301	1,583,960	1,572,326
Support Services:				
Pupil	1,664,065	1,116,862	1,231,145	1,223,258
Instructional Staff	747,303	361,800	567,639	523,240
Board of Education	34,044	21,174	44,568	32,001
Administration	2,917,932	3,206,399	3,052,370	2,923,164
Fiscal	1,016,335	1,925,052	880,330	1,171,771
Business	784,437	487,445	536,262	9,909
Operation and Maintenance of Plant	4,600,430	3,378,920	3,793,590	3,173,066
Pupil Transportation	1,497,022	1,108,797	1,322,949	1,130,694
Central	5,683	7,529	9,974	6,396
Extracurricular Activities	615,932	443,583	490,293	453,001
Capital Outlay	48,110	71,121	37,319	0
Debt Service	91,405	75,865	114,667	112,847
Total	\$30,021,520	\$27,073,302	\$28,195,541	\$25,200,790

Source: School District Financial Records

(1) Information is based on modified accrual. Information for full accrual will be presented when there are enough years of information to make comparisons.

(2) 1997 through 2004 reported on a GAAP basis, all other years on a Cash Basis.

2000 (2)	1999 (2)	1998 (2)	1997 (2)	1996	1995
\$10,665,777	\$12,160,508	\$11,484,719	\$12,388,447	\$10,062,072	\$10,242,261
11,491,564	10,799,692	9,367,497	8,695,013	7,644,263	7,044,943
264,172	237,698	240,780	187,346	143,517	129,182
8,684	9,869	15,700	12,400	0	0
454,622	743,071	77,246	3,039	2,030	6,704
0	190	260	159	0	0
748	50	832	39,964	35,430	36,641
1,230	1,202	2,009	1,771	0	0
199,461	105,442	185,254	103,679	296,286	197,154
<u>\$23,086,258</u>	<u>\$24,057,722</u>	<u>\$21,374,297</u>	<u>\$21,431,818</u>	<u>\$18,183,598</u>	<u>\$17,656,885</u>

\$10,431,891	\$9,356,418	\$10,206,070	\$7,805,679	\$8,336,911	\$8,402,184
2,260,219	2,066,191	1,964,947	1,502,806	1,559,595	1,439,156
1,420,454	1,334,077	1,452,870	1,111,166	1,141,434	1,172,821
1,168,883	1,105,891	923,626	1,025,230	935,860	946,718
488,356	406,643	425,890	416,361	347,776	379,183
32,178	32,498	34,321	45,050	32,386	44,572
2,435,233	2,251,987	1,970,699	1,902,100	2,105,173	2,110,002
485,561	568,421	755,231	553,586	437,898	468,289
479,085	531,546	459,783	397,810	334,106	331,629
2,864,937	2,720,897	2,588,457	2,385,854	2,212,315	2,150,332
1,339,733	1,021,630	861,357	887,216	689,725	744,364
8,217	9,704	8,172	0	0	0
448,731	490,443	438,692	363,369	378,686	361,871
72,954	5,644	7,237	32,423	5,690	11,112
106,517	109,770	64,320	100,135	0	0
<u>\$24,042,949</u>	<u>\$22,011,760</u>	<u>\$22,161,672</u>	<u>\$18,528,785</u>	<u>\$18,517,555</u>	<u>\$18,562,233</u>

Maple Heights City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2004	\$374,057,220	\$1,068,349,143	\$16,597,690	\$18,861,011
2003	372,148,101	1,063,280,289	14,477,060	16,451,205
2002	351,340,790	1,003,830,829	14,313,680	16,265,545
2001	351,115,006	1,003,185,731	17,619,890	20,022,602
2000	313,364,500	895,327,143	17,619,230	20,021,852
1999	308,911,830	882,605,229	19,612,920	22,287,409
1998	307,270,120	877,914,629	20,040,070	22,772,807
1997	276,886,230	791,103,514	20,972,810	23,832,739
1996	274,437,190	784,106,257	21,674,310	24,629,898
1995	275,230,640	786,373,257	24,212,920	27,514,682

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at 88 percent of actual value.
 Capital assets for tangible personal property is assessed at twenty-five percent of actual value.
 Inventory for tangible personal property is assessed at twenty-three percent of actual value.

<u>Tangible Personal Property</u>		<u>Total</u>		
<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Ratio</u>
\$37,096,385	\$161,288,630	\$427,751,295	\$1,248,498,784	34.26 %
39,466,822	157,867,288	426,091,983	1,237,598,782	34.43
41,282,871	165,131,484	406,937,341	1,185,227,858	34.33
34,492,662	137,970,648	403,227,558	1,161,178,981	34.73
31,911,123	127,644,492	362,894,853	1,042,993,487	34.79
35,777,462	143,109,848	364,302,212	1,048,002,486	34.76
31,793,599	127,174,396	359,103,789	1,027,861,832	34.94
38,267,796	153,071,184	336,126,836	968,007,437	34.72
36,672,974	146,691,896	332,784,474	955,428,051	34.83
34,282,957	137,131,828	333,726,517	951,019,767	35.09

Maple Heights City School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Ten Years

<u>Year (2)</u>	<u>Current Levy</u>	<u>Delinquent Levy (3)</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As a Percent of Total Levy</u>
2003	\$14,127,834	\$2,524,375	\$16,652,209	\$13,035,106	92.27 %	\$708,062	\$13,743,168	97.3 %
2002	13,932,743	2,242,594	16,175,337	12,783,764	91.75	893,000	13,676,764	98.2
2001	14,242,665	1,671,815	15,914,480	13,005,770	91.32	640,881	13,646,651	95.8
2000	13,451,336	1,483,704	14,935,040	12,818,328	95.29	592,639	13,410,967	99.7
1999	13,249,934	1,678,837	14,928,771	12,652,162	95.49	434,093	13,086,255	98.8
1998	13,408,633	1,497,146	14,905,779	12,949,137	96.57	516,527	13,465,664	100.4
1997	12,898,827	1,432,026	14,330,853	12,444,440	96.48	437,725	12,882,165	99.9
1996	13,187,924	1,381,788	14,569,712	12,847,389	97.42	400,941	13,248,330	100.5
1995	13,161,094	1,503,490	14,664,584	12,886,630	97.91	327,323	13,213,953	100.4
1994	12,905,585	841,583	13,747,168	12,645,800	97.99	625,368	13,271,168	102.8

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2004 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Year	School Levy	Library	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
						School	County	City	Total
2004	\$64.30	\$1.40	\$18.00	\$15.50	\$99.20	\$0.80	\$0.91	\$2.40	\$4.11
2003	55.80	1.40	16.20	14.50	87.90	0.60	0.27	2.40	3.27
2002	55.80	1.40	16.20	14.50	87.90	0.60	0.27	2.40	3.27
2001	55.90	1.40	16.20	14.50	88.00	0.60	0.27	2.30	3.17
2000	56.60	1.40	15.30	15.00	88.30	0.50	0.27	3.10	3.87
1999	56.10	1.40	15.30	15.00	87.80	0.00	0.27	2.80	3.07
1998	56.30	1.40	16.60	12.00	86.30	0.00	0.27	3.10	3.37
1997	56.80	1.40	16.60	12.10	86.90	0.00	0.27	3.00	3.27
1996	56.70	1.40	16.60	12.10	86.80	0.00	0.87	0.00	0.87
1995	56.70	1.40	16.80	12.10	87.00	0.00	0.76	0.00	0.76

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

Maple Heights City School District
*Ratio of General Obligation Bonded Debt to
 Assessed Value and Net Bonded Debt Per Capita
 Last Eight Years (4)*

Year	General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2004	\$195,000	\$427,751,295	26,156	0.05 %	\$7.46
2003	420,000	426,091,983	26,156	0.10	16.06
2002	657,000	406,937,341	26,156	0.16	25.12
2001	904,000	403,227,558	26,156	0.22	34.56
2000	1,118,000	362,894,853	27,089	0.31	41.27
1999	140,000	364,302,212	27,089	0.04	5.17
1998	176,000	359,103,789	27,089	0.05	6.50
1997	210,000	336,126,836	27,089	0.06	7.75

Sources:

- (1) School District Financial Records
- (2) Cuyahoga County Auditor
- (3) U.S. Census of Population (estimated), 2000 Federal Census and 1990 Federal Census
- (4) Prior to 1997 the School District did not have general obligation bonded debt.

Maple Heights City School District

Computation of Legal Debt Margin

June 30, 2004

Assessed Valuation	<u><u>\$427,751,295</u></u>
Overall Debt Limit - 9% of Assessed Value (1)	\$38,497,617
Amount of Debt Applicable to Debt Limit:	
School Improvement Bonds	195,000
Energy Conservation Notes	3,307,000
School Improvement Notes	287,000
Long Term Notes	1,203,000
Amount Available in Debt Service Fund	<u>(524,010)</u>
Total	4,467,990
Exemptions:	
Long Term Notes	<u>(1,203,000)</u>
Amount of Debt Subject to the Limit	<u>3,264,990</u>
Overall Debt Margin	<u><u>\$35,232,627</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$427,751
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$427,751</u></u>

Source: Cuyahoga County Auditor and School District Financial Records

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

Maple Heights City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2003

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct:			
Maple Heights City School District	<u>\$195,000</u>	<u>100.00%</u>	<u>\$195,000</u>
Overlapping:			
Cuyahoga County	172,250,000	1.42	2,445,950
Regional Transit Authority	113,299,118	1.42	1,608,847
City of Maple Heights	<u>7,743,133</u>	100.00	<u>7,743,133</u>
Total Overlapping	<u>293,292,251</u>		<u>11,797,930</u>
Total	<u><u>\$293,487,251</u></u>		<u><u>\$11,992,930</u></u>

Source: Respective Political Subdivision

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2003 collection year.

Maple Heights City School District
*Ratio of Annual Debt Service Expenditures For
 General Obligation Bonded Debt to General Fund Expenditures
 Last Eight Fiscal Years*

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2004	\$225,000	\$16,866	\$241,866	\$30,021,520	0.81 %
2003	237,000	29,300	266,300	27,073,302	0.98
2002	247,000	42,403	289,403	28,195,541	1.03
2001	214,000	41,200	255,200	25,200,790	1.01
2000	72,000	11,201	83,201	24,042,949	0.35
1999	36,000	9,476	45,476	22,011,760	0.21
1998	34,000	11,289	45,289	22,161,672	0.20
1997	16,000	6,647	22,647	18,528,785	0.12

Source: School District Financial Records

(1) Prior to 1997 the School District did not have general obligation bonded debt.

Maple Heights City School District

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Cuyahoga County Population (1)</u>	<u>Maple Heights City Population (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2004	1,380,421	26,156	3,721	6.10 %
2003	1,380,421	26,156	3,773	6.70
2002	1,393,978	26,156	3,815	4.60
2001	1,380,421	26,156	3,955	4.50
2000	1,386,096	27,089	3,860	4.50
1999	1,386,096	27,089	3,842	4.60
1998	1,397,694	27,089	3,891	4.40
1997	1,398,169	27,089	3,868	5.80
1996	1,403,217	27,089	3,720	5.20
1995	1,403,239	27,089	3,683	4.80

Sources:

- (1) Cleveland Plain Dealer Newspaper
- (2) U.S. Census of Population (estimated), 1990 Federal Census, 2000 Federal Census
- (3) School District Financial Records
- (4) Represents Cuyahoga County

Maple Heights City School District
Property Value,
Financial Institution Deposits and Building Permits
Last Ten Years

Year	Number of Building Permits Issued (1)	Value of Building Permits Issued (1)	Financial Institution Deposits Banks (2)	Property Value (Real Estate Only) (3)
2004	9	\$408,950	\$97,238,973	\$374,057,220
2003	102	4,610,757	95,761,917	372,148,101
2002	2,139	8,757,955	63,893,769	351,340,790
2001	1,800	12,562,099	61,942,764	351,115,006
2000	1,737	10,323,920	57,816,942	313,364,500
1999	1,625	6,473,052	56,770,353	308,911,830
1998	1,855	16,600,345	53,941,971	307,270,120
1997	1,741	15,190,380	27,068,211	276,886,230
1996	837	8,296,208	22,694,304	274,437,190
1995	823	3,461,892	21,101,872	275,230,640

Sources:

- (1) City of Maple Heights Building Department Reports
- (2) Federal Reserve Bank of Cleveland, Ohio
- (3) Represents assessed value.

Maple Heights City School District

Principal Taxpayers

Real Estate Tax

December 31, 2003

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Real Estate Tax Assessed Value</u>
Southgate U.S.A	\$11,294,070	3.02 %
Liberty Investment Group	4,471,610	1.20
First National Supermarkets	4,433,700	1.19
Oxford Investment Partners	4,340,000	1.16
Q.R.S.	2,318,130	0.62
Turney Dunham Association	1,726,100	0.46
JDS Maple Leaf Square	1,695,750	0.45
Commercial Net Lease Realty	1,567,030	0.42
Rockside Distribution	1,411,380	0.38
Midamco	<u>1,305,750</u>	<u>0.34</u>
Total	<u><u>\$34,563,520</u></u>	<u><u>9.24 %</u></u>
<i>Total Real Estate Tax Assessed Value</i>	<u><u>\$374,057,220</u></u>	

Source: Cuyahoga County Auditor's Office

(1) Assessed values are for the 2004 collection year.

Maple Heights City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2004 (1)	\$30,021,520	3,721	\$8,068
2003 (1)	27,073,302	3,773	7,176
2002 (1)	28,195,541	3,815	7,391
2001 (1)	25,200,790	3,955	6,372
2000 (1)	24,042,949	3,846	6,251
1999 (1)	22,011,760	3,842	5,729
1998 (1)	22,161,672	3,891	5,696
1997 (1)	18,528,785	3,868	4,790
1996	18,517,555	3,720	4,978
1995	18,562,233	3,683	5,040

Source: School District Financial Records.

(1) 1997 through 2004 on Modified Accrual Basis
1995 and 1996 on Cash Basis

Maple Heights City School District

Teacher Education and Experience

June 30, 2004

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	57	25.68 %
Bachelor + 9	19	8.56
Bachelor + 18	33	14.86
Master's Degree	48	21.62
Master's + 9	19	8.56
Master's + 18	14	6.31
Master's + 30	13	5.86
Master's + 60	<u>19</u>	<u>8.55</u>
Total	<u><u>222</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	58	26.13 %
6 - 10	71	31.98
11 and Over	<u>93</u>	<u>41.89</u>
	<u><u>222</u></u>	<u><u>100.00 %</u></u>

Source: Maple Heights School District Personnel Records



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**MAPLE 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
JANUARY 11, 2005**