



**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2005



**Auditor of State
Betty Montgomery**

MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures	1
Notes to the Schedule of Federal Awards Receipts and Expenditures	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	5
Schedule of Findings	7
Schedule of Prior Audit Findings	9

This page intentionally left blank.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

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</i>						
<i>Nutrition Cluster:</i>						
Food Distribution	N/A	10.550	\$0	\$97,730	\$0	\$109,432
National School Lunch Program	LL-P4-05	10.555	575,239	0	575,239	0
National School Breakfast Program	05-PU 05	10.553	148,434	0	148,434	0
Total U. S. Department of Agriculture - Nutrition Cluster			<u>723,673</u>	<u>97,730</u>	<u>723,673</u>	<u>109,432</u>
U. S. Department of Education						
<i>Passed Through the Ohio Department of Education</i>						
<i>Special Education Cluster:</i>						
Special Education Grants to States	6B-SF 05	84.027	767,193	0	732,660	0
Special Education Grants to States	6B-SF 04		52,655	0	33,574	0
Subtotal for CFDA 84.027			<u>819,848</u>	<u>0</u>	<u>766,234</u>	<u>0</u>
Special Education - Pre-School	PG-S1 05	84.173	60,221	0	17,342	0
Special Education - Pre-School	PG-S1 04		(24,576)	0	24,576	0
Total Special Education Cluster			<u>855,493</u>	<u>0</u>	<u>808,152</u>	<u>0</u>
Alternative School Community Service	T4-S1 04	84.184C	2,314	0	2,314	0
Total Alternative School Community Service			<u>2,314</u>	<u>0</u>	<u>2,314</u>	<u>0</u>
Title I Grants to Local Education Agencies	C1-S1 05	84.010	730,115	0	619,757	0
Title I Grants to Local Education Agencies	C1-SK 04		1,867	0	1,867	0
Title I Grants to Local Education Agencies	C1-SK 05		97,350	0	94,009	0
Total Title I Grants to Local Education Agencies			<u>829,332</u>	<u>0</u>	<u>715,633</u>	<u>0</u>
Innovative Educational Program Strategies	C2-S1 05	84.298	55,887	0	34,100	0
Innovative Educational Program Strategies	C2-S1 04		9,884	0	26,051	0
Total Innovative Educational Program Strategies			<u>65,771</u>	<u>0</u>	<u>60,151</u>	<u>0</u>
Safe and Drug Free Schools	DR-S1 05	84.186	25,333	0	17,342	0
Total Safe and Drug Free Schools			<u>25,333</u>	<u>0</u>	<u>17,342</u>	<u>0</u>
Improving Teacher Quality	TRS1 05	84.367	17,825	0	17,825	0
Improving Teacher Quality	TRS1 04		260,180	0	194,868	0
Total Improving Teacher Quality			<u>278,005</u>	<u>0</u>	<u>212,693</u>	<u>0</u>
Comprehensive School Reform	RF-CC 04	84.332	(11,901)	0	0	0
Comprehensive School Reform	RF-CC 05		102,768	0	103,697	0
Comprehensive School Reform	RF-S3 04		53,460	0	0	0
Total Comprehensive School Reform			<u>144,327</u>	<u>0</u>	<u>103,697</u>	<u>0</u>
Enhancing Education	TJ-S1 05	84.318	26,130	0	23,336	0
Enhancing Education	TJ-S1 04		(11,860)	0	0	0
Enhancing Education	TJ-SL 04		(80,774)	0	0	0
Enhancing Education	TJ-SL 05		95,140	0	80,167	0
Total Enhancing Education			<u>28,636</u>	<u>0</u>	<u>103,503</u>	<u>0</u>
<i>Passed Through Bedford City School District</i>						
Vocational Ed. Basic Grants to States	C1-05	84.048	70,302	0	69,236	0
Vocational Ed. Basic Grants to States	C1-04		0	0	1,224	0
Total Vocational Ed. Basic Grants to States			<u>70,302</u>	<u>0</u>	<u>70,460</u>	<u>0</u>
Total U. S. Department of Education			<u>2,299,513</u>	<u>0</u>	<u>2,093,945</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	124,697	0	124,697	0
State Children's Health Insurance Program	N/A	93.767	17,922	0	17,922	0
Total Federal Assistance			<u>\$3,165,805</u>	<u>\$97,730</u>	<u>\$2,960,237</u>	<u>\$109,432</u>

See Notes to the Schedule of Federal Awards Receipts and Expenditures

**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B—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 \$24,576, Comprehensive School Reform, CFDA #84.332, in the amount of \$11,901, and Enhancing Education #84.318, in the amount of \$92,634, 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 INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 16, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 16, 2005, we reported other matters related to noncompliance we deemed immaterial.

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

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

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

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

Betty Montgomery
Auditor of State

December 16, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON 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 apply to each of its major federal programs for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

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

**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 16, 2005.

Schedule of Federal Awards Expenditures

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 as of and for the year ended June 30, 2005, and have issued our report thereon dated December 16, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 16, 2005

**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A - §133 - §505
FOR THE YEAR ENDED JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS
--

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA# 10.550, 10.553 and 10.555 – Nutrition Cluster, CFDA# 84.367, Improving Teacher Quality State Grants, CFDA# 93.778, Medicaid Assistance
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
FOR THE ENDED JUNE 30, 2005
(CONTINUED)**

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**MAPLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE ENDED JUNE 30, 2005**

Finding Number	Finding Summary	Fully Corrected	Not corrected, partially corrected, different corrective action taken; finding no longer valid; Explain
2004-001	Two funds had expenditures plus encumbrances exceeded appropriations contrary to Ohio Revised Code Section 5705.41(B)(D)	No	Partially correct as one fund had expenditures plus encumbrances in excess of appropriation in the June 30, 2005 audit report. Finding was reported in the Management Letter.

Maple Heights City School District
Maple Heights, Ohio

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

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, 2005
Table of Contents

	Page
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	iv
List of Principal Officials.....	xi
Organizational Chart.....	xii
Certificate of Achievement	xiii
 II. Financial Section	
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities.....	13
 Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	15
Statement of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Fund.....	18
Statement of Fiduciary Assets and Liabilities - Fiduciary Fund.....	19
Notes to the Basic Financial Statements	20

Combining and Individual Fund Statements and Schedules:

Combining Statements - Nonmajor Governmental Funds:

Description of Funds.....44

Combining Balance Sheet - Nonmajor Governmental Funds.....47

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds48

Combining Balance Sheet - Nonmajor Special Revenue Funds.....49

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Special Revenue Funds54

Description of Fiduciary Fund.....60

Statement of Changes in Assets and Liabilities - Agency Fund.....61

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

Major Funds

 General Fund63

 Building Fund.....67

Nonmajor Funds

 Food Service Fund.....68

 Uniform School Supplies Fund69

 Mental Health and Mental Retardation Fund70

 Public School Support Fund.....71

 Local Grants Fund.....72

 Latchkey Program Fund.....73

 Athletics and Music Fund.....74

 Auxiliary Services Fund.....75

 Professional Development Block Grant Fund.....76

 Management Information Systems Fund.....77

 Teacher Training and Development Fund.....78

 Disadvantaged Pupil Program Fund.....79

 School Net Professional Development Fund.....80

 Textbooks and Instructional Materials Fund.....81

 Ohio Reads Grant Fund.....82

 Summer School Subsidy Fund83

 Career Tech and Adult Equipment Fund.....84

 Alternative School Fund.....85

 Miscellaneous State Grants Fund.....86

 Eisenhower Math and Science Fund87

 Title VI-B Fund.....88

 Carl Perkins Grant Fund.....89

 Title I Fund.....90

 Title V Fund91

 Drug Free Schools Fund.....92

 Preschool Grant Fund.....93

 E-Rate Grant Fund.....94

 Miscellaneous Federal Grants Fund95

Bond Retirement Fund	96
SchoolNet Fund.....	97

III. Statistical Section

Governmental Activities Revenues by Source and Expenses by Function - Full Accrual Basis - Last Four Fiscal Years	S1
General Fund Revenues by Source and Expenditures by Function - Modified Accrual Basis Last Ten Fiscal Years.....	S2
Assessed and Estimated Actual Value of Taxable Property - Last Ten Calendar Years.....	S4
Property Tax Levies and Collections - Real and Tangible Personal Property - Last Ten Years	S6
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	S7
Ratio of General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Nine Years.....	S8
Computation of Legal Debt Margin.....	S9
Computation of Direct and Overlapping General Obligation Bonded Debt.....	S10
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to General Fund Expenditures - Last Nine Fiscal Years.....	S11
Demographic Statistics - Last Ten Years.....	S12
Property Value, Financial Institution Deposits and Building Permits - Last Ten Years.....	S13
Principal Taxpayers: Real Estate Tax	S14
Age and Capacity of Buildings.....	S15
Per Pupil Cost - Last Four Fiscal Years.....	S16
Student to Teacher Ratio – Last Ten Fiscal Years.....	S17
Students in Free or Reduced Price Lunch Program	S18
Teacher Education and Experience.....	S19

Maple Heights City Schools

14605 Granger Road
Maple Heights, Ohio 44137

CHRISTOPHER D. KRAUSE
Treasurer

Telephone (216) 587-6100
Extension 223

December 16, 2005

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, 2005. 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 Accountants' 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 3,808 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 School District's Administration Building. Presently, there are six schools in the School District, one high school, one middle school and four elementary schools. The schools range in age from 48 to 85 years old.

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

The 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 of these entities 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 17 to the basic financial statements.

Economic Outlook

The 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 2004-2005 enrollment of 3,808 students reflects an increase of 125 students compared with the 1994-1995 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 in 2005. A mission statement, beliefs, objectives and strategies were approved as part of the planning process. The strategic plan is updated annually based upon educational trends, district financial status, and mandates from the Ohio Department of Education and United States Department of Education. 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, Facilities, and Cooperation, Collaboration, and Communication. Each of these areas is 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 and Math.
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.

The ongoing legislative efforts to support the existence of community (charter) schools come at the expense of our current State subsidy. For fiscal year 2005, approximately \$1,266,341 was deducted from our State subsidy and redirected to local community (charter) schools.

Primary Accomplishments for 2005 Were as Follows:

Financial

- Received the Certificate of Excellence in Financial Reporting from the Government Finance Officer's Association (GFOA), for the seventh consecutive year.
- Passage of House Bill 66 by the Ohio General Assembly that provided School Foundation to all of Ohio's public school systems for the next two years. This legislation provides the School District with an increase in state funding of 7.7 % for Fiscal Year 2006 and 4.2% for Fiscal Year 2007. Since School Foundation is a major source of funding for the Maple Heights City Schools,

these increases will help to maintain current levels of educational programs for the next two years.

Instruction

- Obtained the designation of Continuous Improvement on the state report card which is a two level increase from the previous designation of academic emergency.
- Created additional educational programs, increased teaching staff to enable higher standards for student learning.

Community

- Continuously engaged the community with regard to education programs by holding town hall meetings and publishing quarterly newsletters.

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 2006 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 2005 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

- Implement a Freshmen Academy to provide a small learning environment for students entering high school.
- Study grade level elementaries for alignment of curriculum.
- Increase targets for proficiency test standards in grades 4, 6, 9, and third grade achievement.
- Continue School 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 capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

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 fourth year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments". GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide Financial Statements. These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

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 2005.

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. Medical Mutual of Ohio and Kaiser Permanente administer the plans and review all claims.

All employees of the 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. In addition to the general liability insurance in aggregate, 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, 2005. 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 School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year

ended June 30, 2004. 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 CAFR, 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

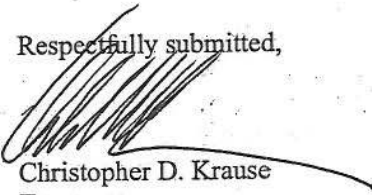
The publication of this report is a significant step toward professionalizing the School District's financial reporting. It enhances the School District's accountability to the residents of the Maple Heights City School District.

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, 2005

Board of Education

Ms. Lori Chick	President
Mr. Darryl L. Kirkpatrick	Vice President
Ms. Michelle L. Holmes	Member
Mrs. Santana M. Klimkowski.....	Member
Mr. Michael A. White.....	Member

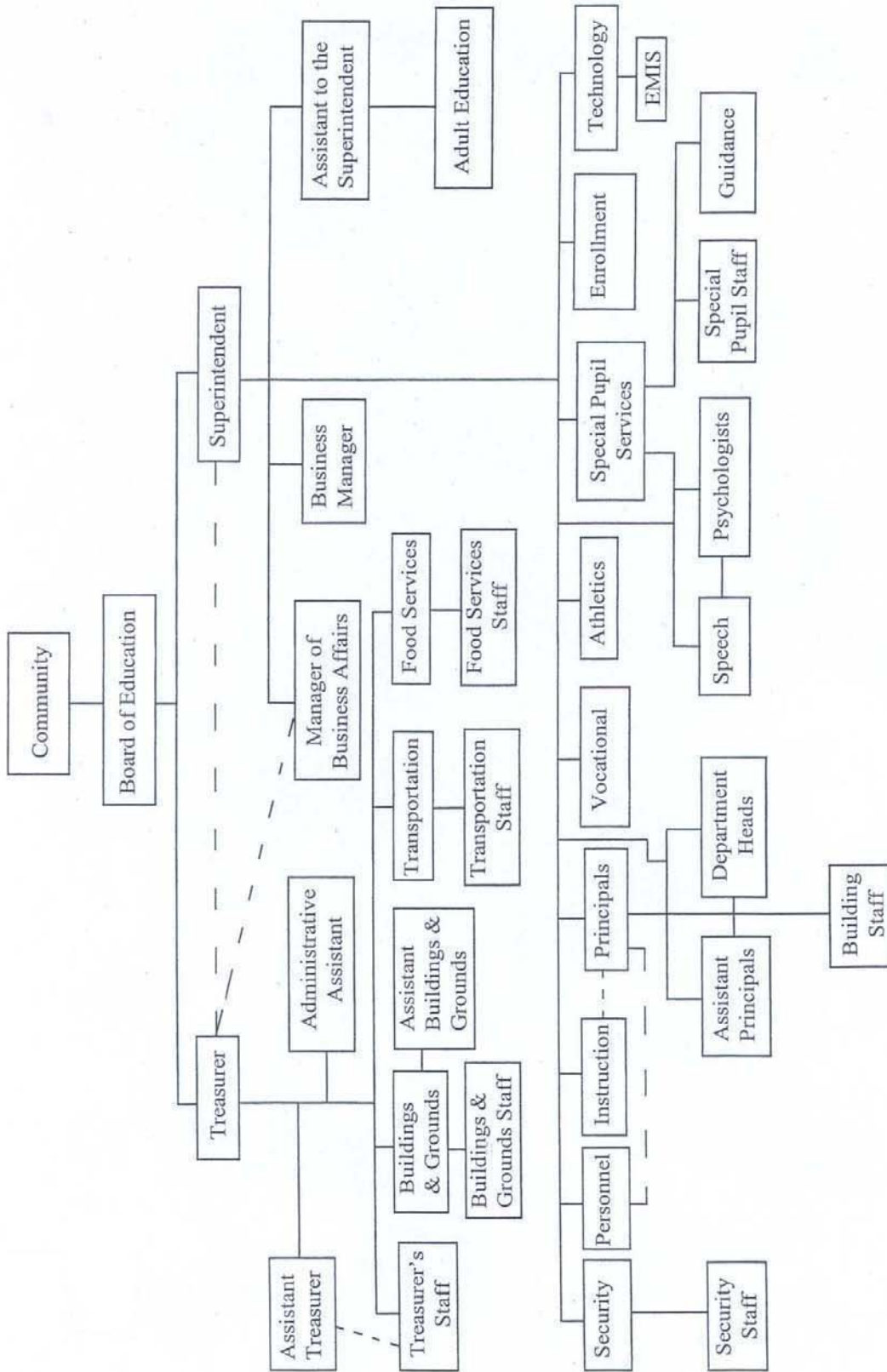
Treasurer

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, 2004

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



Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director

(This Page Intentionally Left Blank)



**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, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Maple Heights City School District, Cuyahoga County, Ohio, as of June 30, 2005, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine 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 provides additional information 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 16, 2005

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
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, 2005. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Highlights

Key financial highlights for 2005 are as follows:

Total net assets increased \$1.9 million, all of the increase in Governmental Activities. This increase was primarily due to an increase in Grants and Entitlements in an amount of \$2,247,065. Also, it should be noted that the ending year cash balance for the School District increased from \$3.0 million for fiscal year 2004 to \$5.7 million for fiscal year 2005.

Outstanding debt decreased from \$5.0 million in 2004 to \$4.5 million in 2005. This decrease is due to principle payments against current debt and no additional debt being incurred.

Liabilities increased to \$25.1 million from \$24.1 million in 2004, while total assets increased by \$2.9 million. The increase in liabilities for 2005 was primarily the result of increases in accounts payable and accrued wages.

While total revenue increased from \$37.8 million in 2004 to \$39.1 million in 2005, program expenses increased from \$33.8 million to \$37.2 million. The increase in revenue was due to an increase in state funding for an increase of 87 students within the School District. The increase in program expenses was due to wage increases provided in negotiated labor contracts, increased medical insurance costs for School District employees, and the purchase of upgraded educational materials.

During fiscal year 2005, the School District was fully insured for medical, dental and vision insurance benefits provided to School District employees. Over the past several years the School District has experienced double digit percentage increases for employee benefits without the means to generate the revenue necessary to meet these increases. In an effort to curtail future double percentage increases of employee benefits, the School District will become self insured in fiscal year 2006 for purposes of cost containment.

The School District's five year forecast (which has been submitted to the Ohio Department of Education and appears on their website) reflects a positive cash balance for the duration of the forecast. One of the largest sources of revenue included in the forecast is state foundation revenue. State foundation revenue amounts are uncertain. The State of Ohio General Assembly adopted a two year budget last summer for Fiscal Years 2006 and 2007 which included state funding of School Districts for the two year period stated. The five year forecast includes projected revenue for Fiscal Years 2006 through Fiscal Year 2010. Funding for Fiscal Years 2008 through 2010 can only be estimated at this time, and is largely uncertain due to the revenue problems that the State of Ohio is facing.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

In addition to uncertainty of future state funding, the budget adopted this past summer also includes a provision to eliminate Tangible Personal Property Taxes that are assessed to District businesses. This lost revenue is scheduled to be reimbursed to Districts by the State of Ohio through Fiscal Year 2011. Reimbursement of this lost revenue after Fiscal Year 2011 is unknown.

Using the Basic Financial Statements

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.

Reporting the School District as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the School District did financially during fiscal year 2005. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

These 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 whether the financial position of the School District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, all of the School District activities are reported as government activities, including instruction, support services, non-instructional services, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the 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

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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 less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds- Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

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

Table 1 provides a summary of the School District's net assets for fiscal year 2005 compared to fiscal year 2004:

Table 1
 Net Assets
 Governmental Activities

	2005	2004
Assets		
Current and Other Assets	\$24,869,124	\$22,989,884
Capital Assets, Net	10,938,654	9,962,094
<i>Total Assets</i>	35,807,778	32,951,978
Liabilities		
Current and Other Liabilities	22,398,271	21,060,723
Long-Term Liabilities:		
Due Within One Year	653,608	818,304
Due in More than One Year	2,005,761	2,252,814
<i>Total Liabilities</i>	25,057,640	24,131,841
Net Assets		
Invested in Capital Assets, Net of Debt	6,451,388	4,980,407
Restricted:		
Capital Projects	173,442	513,195
Debt Service	417,643	533,237
Other Purposes	797,101	1,643,155
Unrestricted	2,910,564	1,150,143
<i>Total Net Assets</i>	\$10,750,138	\$8,820,137

Total assets increased by \$2.9 million. Cash increased from \$3.0 million in 2004 to \$5.7 million in 2005. The increase in cash was due to an additional 87 students being enrolled in the School District resulting in additional funding by the State of Ohio, real estate tax revenue generated by an operating levy passed by the voters in August 2003, and the prudent use of revenue by the School District.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Total Liabilities for Governmental Activities increased by \$0.9 million. The increase for 2005 was primarily the result of increases in accounts payable and accrued wages.

The net impact was an increase in net assets of \$1.9 million. The increase occurred primarily due to an increase in cash, which was caused by the passage of an 8.5 mill levy in August, 2003, which generated additional tax revenue beginning in January, 2004 and had a full year of collection for fiscal year 2005 and, additional funding received from the State of Ohio for an additional 87 students enrolled in the School District.

Table 2 shows the change in net assets for fiscal year 2005 compared to fiscal year 2004.

Table 2
Change in Net Assets

	2005	2004
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,590,521	\$1,745,027
Operating Grants and Contributions	3,392,288	3,656,977
Capital Grants and Contributions	42,289	7,186
<i>Total Program Revenues</i>	5,025,098	5,409,190
General Revenues:		
Property Taxes	16,001,657	16,506,121
Grants and Entitlements	17,734,028	15,486,963
Investment Earnings	140,342	53,631
Other	207,271	318,334
<i>Total General Revenues</i>	34,083,298	32,365,049
Total Revenues	39,108,396	37,774,239
Program Expenses		
Instruction	20,290,724	18,017,404
Support Services:		
Pupil and Instructional Staff	2,626,831	2,616,545
Board of Education, Administration, Fiscal and Business	5,444,512	4,802,325
Operation and Maintenance of Plant	4,759,804	4,564,071
Pupil Transportation	1,471,543	1,255,010
Central	10,026	9,406
Operation of Non-Instructional Services	172,648	263,157
Extracurricular Activities	871,547	833,879
Food Services Operations	1,419,696	1,365,444
Interest and Fiscal Charges	111,064	98,534
<i>Total Program Expenses</i>	37,178,395	33,825,775
Net Change in Net Assets	1,930,001	3,948,464
<i>Net Assets Beginning of Year</i>	8,820,137	4,871,673
<i>Net Assets End of Year</i>	\$10,750,138	\$8,820,137

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

While total revenue increased for Governmental Activities from \$37.8 million to \$39.1 million, the vast majority of revenue supporting Governmental Activities is general revenue. General revenue increased to \$34.1 million in 2005 from \$32.4 million in 2004. General revenue comprised 87.2 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, 2005 was \$2,262,577 compared to \$2,777,514 at June 30, 2004. Property taxes comprised \$16.0 million of general revenue in 2005, compared to \$16.5 million in 2004.

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 40.9 percent of revenues for governmental activities for Maple Heights City School District in fiscal year 2005, a decrease from prior years.

Program expense increased from \$33.8 million in 2004 to \$37.2 million in fiscal year 2005.

The major program expense for governmental activities, as expected, is for instruction. Instructional costs increased \$2.3 million. When combined with pupil and instructional staff support these categories make up 61.6 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 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 3
Governmental Activities

	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2004	Total Cost of Services 2004
Instruction	\$20,290,724	(\$17,329,025)	\$18,017,404	(\$14,784,879)
Support Services:				
Pupil and Instructional Staff	2,626,831	(2,314,828)	2,616,545	(2,271,042)
Board of Education, Administration, Fiscal and Business	5,444,512	(5,427,195)	4,802,325	(4,787,583)
Operation and Maintenance of Plant	4,759,804	(4,720,839)	4,564,071	(4,505,839)
Pupil Transportation	1,471,543	(1,413,407)	1,255,010	(1,184,950)
Central	10,026	(10,026)	9,406	(4,701)
Operation of Non-Instructional Services	172,648	(47,622)	263,157	(46,454)
Extracurricular Activities	871,547	(736,141)	833,879	(723,801)
Food Service Operations	1,419,696	(43,150)	1,365,444	(8,802)
Interest and Fiscal Charges	111,064	(111,064)	98,534	(98,534)
<i>Total</i>	<u>\$37,178,395</u>	<u>(\$32,153,297)</u>	<u>\$33,825,775</u>	<u>(\$28,416,585)</u>

The dependence upon general tax revenues and unrestricted state entitlements for governmental activities is apparent. In fiscal year 2005, 43.0 percent of total expenses are supported through taxes, a decrease from the 48.8 percent in fiscal year 2004. The decrease in expense through tax revenue is a result of an increase in unrestricted state entitlements due to increased student enrollment. Grants and entitlements not restricted to specific programs in fiscal year 2005 support 47.7 percent, an increase from the 45.8 percent in fiscal year 2004. Investments and other miscellaneous type revenues support the remaining activity costs. In fiscal year 2005, program revenues only account for 13.5 percent of all governmental expenses, a decrease from the 16.0 percent in fiscal year 2004. The community, as a whole, is a primary support for Maple Heights City School District students, with unrestricted state entitlements being the most important source of revenue.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. A review of the School District's major funds demonstrates an increase in fund balance for the General Fund. All governmental funds had total revenues of \$39.4 million and expenditures of \$38.9 million. The net change in fund balance for the year was most significant in the general fund, where the general fund balance went from \$.9 million in 2004 to a \$2.2 million for 2005. An increase in unrestricted state entitlements accounts for this increase.

General Fund Budgeting Highlights

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

During fiscal 2005 the School District amended its general fund budget as needed. 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 \$32,963,157, above the original budget estimates of \$31,885,522. The increase was mainly due to an anticipated

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

increase in unrestricted state entitlements due to increased student enrollment. For the general fund, the final estimated expenditures were \$36,942,256, above the original budgeted expenditures of \$35,142,925.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$35,798,481, \$1,353,305 above revenues.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2005, the School District had \$10.9 million invested in land, buildings and improvements, furniture and equipment, vehicles and textbooks. Table 4 shows fiscal 2005 balances compared to fiscal 2004. 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

	2005	2004
Land	\$1,212,362	\$1,212,362
Buildings and Improvements	7,890,621	6,972,694
Furniture and Equipment	1,036,146	1,036,168
Vehicles	742,088	660,458
Textbooks	57,437	80,412
Totals	<u>\$10,938,654</u>	<u>\$9,962,094</u>

The increase in capital assets is due to recognizing an increase in building improvements that occurred in 2005. This increase was primarily due to the completion of a new roof for the high school complex. In addition to the new roof for the high school, the School District continued its replacement of school busses and maintenance vehicles which accounts for the increase of capital assets regarding vehicles. The School District continued its ongoing commitment to maintaining and improving its fixed assets.

Debt

At June 30, 2005, the School District had \$4,495,000 in bonds and notes outstanding. Table 5 summarizes bonds and notes outstanding for fiscal year 2005 and 2004.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 5
Outstanding Debt at June 30
Governmental Activities

	2005	2004
2001 School Improvement Bonds	0	195,000
2004 Energy Conservation Note	0	296,000
2005 Energy Conservation Note	232,000	0
2004 Energy Conservation Note	0	3,011,000
2005 Energy Conservation Note	3,011,000	0
2004 School Improvement Note	0	287,000
2005 School Improvement Note	272,000	0
2004 Tax Anticipation Note	980,000	1,203,000
Totals	\$4,495,000	\$4,992,000

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 2005 energy conservation notes were issued to refinance 2004 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 through savings realized through reductions in energy consumption.

The 2005 school improvement notes were issued to refinance 2004 school improvement notes. Originally these notes were issued for various building improvements throughout the School District.

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, 2005, the School District's overall legal debt margin was \$34,330,873 with an unvoted debt margin of \$415,702. The debt is well within permissible limits.

Current Issues

The School District's five-year forecast continues to be the instrument used to make future financial decisions with regard to program and funding strategies. Currently the forecast indicates a positive fund balance for the duration of the forecast but a careful strategy must be developed in regards to future labor negotiations, health insurance cost containment, rising utility costs and the need for increased revenue to support the District's educational objectives.

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 and support from unrestricted state entitlements. However, financially the future is not without challenges.

Maple Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

The passage of an 8.5 mill operating levy in 2003 will provide additional funds to meet operating expenses however, declining tax collections further challenge 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, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,658,029
Accounts Receivable	3,856
Intergovernmental Receivable	32,036
Inventory Held for Resale	3,627
Materials and Supplies Inventory	29,536
Property Taxes Receivable	19,134,306
Deferred Charges	7,734
Nondepreciable Capital Assets	1,212,362
Depreciable Capital Assets, Net	<u>9,726,292</u>
<i>Total Assets</i>	<u>35,807,778</u>
Liabilities	
Accounts Payable	293,944
Accrued Wages	2,639,948
Intergovernmental Payable	1,147,808
Matured Compensated Absences Payable	10,890
Accrued Interest Payable	27,043
Deferred Revenue	14,763,638
Notes Payable	3,515,000
Long-Term Liabilities:	
Due Within One Year	653,608
Due In More Than One Year	<u>2,005,761</u>
<i>Total Liabilities</i>	<u>25,057,640</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	6,451,388
Restricted for:	
Capital Projects	173,442
Debt Service	417,643
Special Education	221,785
Training and Development	102,688
Literacy Programs	30,055
Alternative Education	38,154
Food Service	38,067
School Supplies	99,869
Public School Support	22,507
Student Activities	26,152
Other Purposes	217,824
Unrestricted	<u>2,910,564</u>
<i>Total Net Assets</i>	<u><u>\$10,750,138</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, 2005

	Program Revenues			Net (Expense)	
	Charges for	Operating Grants	Capital Grants	Revenue and	
Expenses	Services and Sales	and Contributions	and Contributions	Changes in	
				Net Assets	
				Total	
Governmental Activities					
Instruction:					
Regular	\$13,782,342	\$137,348	\$1,108,391	\$2,972	(\$12,533,631)
Special	4,690,649	658,143	957,045	0	(3,075,461)
Vocational	1,813,734	22,852	70,303	0	(1,720,579)
Adult/Continuing	3,999	0	4,645	0	646
Support Services:					
Pupil	1,479,856	0	0	0	(1,479,856)
Instructional Staff	1,146,975	0	278,718	33,285	(834,972)
Board of Education	37,689	0	12,184	0	(25,505)
Administration	3,369,823	0	5,133	0	(3,364,690)
Fiscal	1,324,760	0	0	0	(1,324,760)
Business	712,240	0	0	0	(712,240)
Operation and Maintenance of Plant	4,759,804	0	38,965	0	(4,720,839)
Pupil Transportation	1,471,543	52,104	0	6,032	(1,413,407)
Central	10,026	0	0	0	(10,026)
Operation of Non-Instructional Services	172,648	3,720	121,306	0	(47,622)
Extracurricular Activities	871,547	98,292	37,114	0	(736,141)
Food Service Operations	1,419,696	618,062	758,484	0	(43,150)
Interest and Fiscal Charges	111,064	0	0	0	(111,064)
<i>Total</i>	<u>\$37,178,395</u>	<u>\$1,590,521</u>	<u>\$3,392,288</u>	<u>\$42,289</u>	<u>(32,153,297)</u>
General Revenues					
Property Taxes Levied for:					
					15,529,649
					316,951
					155,057
					17,734,028
					140,342
					207,271
					<u>34,083,298</u>
					1,930,001
					<u>8,820,137</u>
					<u>\$10,750,138</u>

See accompanying notes to the basic financial statements

Maple Heights City School District

*Balance Sheet
Governmental Funds
June 30, 2005*

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$4,056,557	\$160,043	\$1,441,429	\$5,658,029
Accounts Receivable	0	0	3,856	3,856
Intergovernmental Receivable	3,426	0	28,610	32,036
Interfund Receivable	1,603	0	0	1,603
Inventory Held for Resale	0	0	3,627	3,627
Materials and Supplies Inventory	29,536	0	0	29,536
Property Taxes Receivable	18,619,266	515,040	0	19,134,306
<i>Total Assets</i>	<u>\$22,710,388</u>	<u>\$675,083</u>	<u>\$1,477,522</u>	<u>\$24,862,993</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$159,905	\$97,850	\$36,189	\$293,944
Accrued Wages	2,485,804	0	154,144	2,639,948
Intergovernmental Payable	1,132,373	0	15,435	1,147,808
Interfund Payable	0	0	1,603	1,603
Matured Compensated Absences Payable	10,890	0	0	10,890
Deferred Revenue	16,199,578	448,683	28,610	16,676,871
Accrued Interest Payable	4,714	20,287	0	25,001
Notes Payable	504,000	3,011,000	0	3,515,000
<i>Total Liabilities</i>	<u>20,497,264</u>	<u>3,577,820</u>	<u>235,981</u>	<u>24,311,065</u>
Fund Balances				
Reserved for Encumbrances	807,617	80,988	253,663	1,142,268
Reserved for Property Taxes	2,201,499	61,078	0	2,262,577
Unreserved, Undesignated (Deficit) Reported in:				
General Fund	(795,992)	0	0	(795,992)
Special Revenue Funds	0	0	540,853	540,853
Debt Service Fund	0	0	432,722	432,722
Capital Projects Funds	0	(3,044,803)	14,303	(3,030,500)
<i>Total Fund Balances (Deficit)</i>	<u>2,213,124</u>	<u>(2,902,737)</u>	<u>1,241,541</u>	<u>551,928</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$22,710,388</u>	<u>\$675,083</u>	<u>\$1,477,522</u>	<u>\$24,862,993</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, 2005

Total Governmental Funds Balances		\$551,928
 <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.		10,938,654
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	1,884,623	
Grants	28,610	
		1,913,233
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(2,042)
Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds.		7,734
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Notes Payable	(980,000)	
Notes Premium	(13,037)	
Compensated Absences	(1,666,332)	
Total		(2,659,369)
 <i>Net Assets of Governmental Activities</i>		 \$10,750,138

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, 2005

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$15,298,310	\$153,833	\$351,250	\$15,803,393
Intergovernmental	17,667,391	52,648	3,908,507	21,628,546
Interest	140,342	0	0	140,342
Charges for Services	25,410	0	618,062	643,472
Tuition and Fees	723,718	0	124,806	848,524
Extracurricular Activities	3,674	0	94,618	98,292
Rentals	233	0	0	233
Contributions and Donations	851	0	37,114	37,965
Miscellaneous	46,522	0	160,749	207,271
<i>Total Revenues</i>	<u>33,906,451</u>	<u>206,481</u>	<u>5,295,106</u>	<u>39,408,038</u>
Expenditures				
Current:				
Instruction:				
Regular	12,799,516	0	1,495,102	14,294,618
Special	3,388,929	0	1,309,946	4,698,875
Vocational	1,723,648	0	78,240	1,801,888
Adult/Continuing	0	0	3,999	3,999
Support Services:				
Pupil	1,482,708	0	11,397	1,494,105
Instructional Staff	732,881	0	418,549	1,151,430
Board of Education	29,947	0	7,742	37,689
Administration	3,341,913	0	78,489	3,420,402
Fiscal	1,356,416	0	5,455	1,361,871
Business	733,244	0	0	733,244
Operation and Maintenance of Plant	4,872,902	0	46,800	4,919,702
Pupil Transportation	1,393,641	0	0	1,393,641
Central	8,116	0	1,910	10,026
Operation of Non-instructional Services	0	0	168,534	168,534
Extracurricular Activities	626,117	0	191,991	818,108
Food Service Operations	0	0	1,425,673	1,425,673
Capital Outlay	37,792	515,770	48,118	601,680
Debt Service:				
Principal Retirement	0	0	418,000	418,000
Interest and Fiscal Charges	57,064	12,509	44,559	114,132
<i>Total Expenditures</i>	<u>32,584,834</u>	<u>528,279</u>	<u>5,754,504</u>	<u>38,867,617</u>
<i>Net Change in Fund Balances</i>	1,321,617	(321,798)	(459,398)	540,421
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>891,507</u>	<u>(2,580,939)</u>	<u>1,700,939</u>	<u>11,507</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,213,124</u>	<u>(\$2,902,737)</u>	<u>\$1,241,541</u>	<u>\$551,928</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, 2005*

Net Change in Fund Balances -Total Governmental Funds \$540,421

*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	1,501,346	
Current Year Depreciation	<u>(524,786)</u>	
 Total		 976,560

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

Delinquent Property Taxes	198,264	
Intergovernmental	<u>(497,906)</u>	
 Total		 (299,642)

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

418,000

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

Accrued Interest	1,301	
Issuance Cost	(2,579)	
Amortization of Premium	<u>4,346</u>	
 Total		 3,068

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	(10,597)	
Pension Obligations	<u>302,191</u>	
 Total		 <u>291,594</u>

Change in Net Assets of Governmental Activities \$1,930,001

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, 2005

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$14,653,972	\$15,149,232	\$15,867,548	\$718,316
Intergovernmental	16,312,820	16,864,144	17,663,965	799,821
Interest	104,074	107,591	112,717	5,126
Charges for Services	23,527	24,353	25,410	1,057
Tuition and Fees	668,391	690,981	723,718	32,737
Extracurricular Activities	3,516	3,635	3,674	39
Rentals	352	363	233	(130)
Contributions and Donations	703	727	851	124
Miscellaneous	118,167	122,131	47,060	(75,071)
<i>Total Revenues</i>	<u>31,885,522</u>	<u>32,963,157</u>	<u>34,445,176</u>	<u>1,482,019</u>
Expenditures				
Current:				
Instruction:				
Regular	12,079,053	12,706,856	12,424,822	282,034
Special	3,347,924	3,517,978	3,439,343	78,635
Vocational	1,618,403	1,700,609	1,662,596	38,013
Support Services:				
Pupil	1,393,870	1,464,671	1,431,931	32,740
Instructional Staff	933,007	980,399	958,484	21,915
Board of Education	31,037	32,614	31,885	729
Administration	3,099,828	3,257,285	3,184,475	72,810
Fiscal	1,254,745	1,318,480	1,289,008	29,472
Business	663,664	697,375	681,787	15,588
Operation and Maintenance of Plant	5,218,071	5,483,123	5,040,549	442,574
Pupil Transportation	1,300,131	1,366,172	1,335,634	30,538
Central	7,598	7,984	7,805	179
Extracurricular Activities	606,273	637,069	622,829	14,240
Capital Outlay	36,787	38,657	37,792	865
Debt Service:				
Principal Retirement	3,552,534	3,594,000	3,594,000	0
Interest and Fiscal Charges	0	138,984	55,541	83,443
<i>Total Expenditures</i>	<u>35,142,925</u>	<u>36,942,256</u>	<u>35,798,481</u>	<u>1,143,775</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,257,403)</u>	<u>(3,979,099)</u>	<u>(1,353,305)</u>	<u>2,625,794</u>
Other Financing Sources (Uses)				
Notes Issued	3,274,448	3,385,114	3,515,000	129,886
Notes Premium	0	0	30,499	30,499
Transfers Out	(13,561)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,260,887</u>	<u>3,385,114</u>	<u>3,545,499</u>	<u>160,385</u>
<i>Net Change in Fund Balance</i>	3,484	(593,985)	2,192,194	2,786,179
<i>Fund Balance Beginning of Year</i>	795,019	795,019	795,019	0
Prior Year Encumbrances Appropriated	205,486	205,486	205,486	0
<i>Fund Balance End of Year</i>	<u>\$1,003,989</u>	<u>\$406,520</u>	<u>\$3,192,699</u>	<u>\$2,786,179</u>

See accompanying notes to the basic financial statements

Maple Heights City School District
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2005

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$69,571</u>
Liabilities	
Due to Students	<u>\$69,571</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, 2005

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, 254 certificated full time teaching personnel and 30 administrative employees to provide services to 3,808 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 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 participates in two jointly governed organizations, the Lakeshore Northeast Ohio Computer Association and Ohio Schools Council Association. These organizations are presented in Note 17 to the basic financial statements.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, 2005

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, 2005

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 7). 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, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 2005 the general fund advanced monies to two special revenue funds to cover deficit cash balances. See Note 19 for additional information.

During fiscal year 2005, 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, 2005.

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 2005 amounted to \$140,342 which includes \$40,945 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, 2005

G. 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.

H. 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:

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

I. 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.

J. 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.

K. 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.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

L. 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.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have resigned or retired will be paid. The non-current portion of the liability is not reported.

M. 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 and long-term notes are recognized as a liability on the fund financial statements when due.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$1,388,186 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include community activities, information systems 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.

O. 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

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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.

P. 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.

Q. Extraordinary and Special Items

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

R. Estimates

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

Note 3 – Changes in Accounting Principle

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

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

GASB Statement No. 46 clarifies how enabling legislation should be defined for determining restricted net assets.

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

The implementation of GASB Statement No. 46 did not affect the presentation of the financial statements of the School District. The implementation of GASB Technical Bulletin No. 2004-2 had no material effect on the financial statements as they were previously reported as of June 30, 2004.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 4 - Accountability and Compliance

A. Accountability

At June 30, 2005 the disadvantaged pupil program and Title V special revenue funds had deficit fund balances of \$101 and \$7,874, respectively. The building capital projects fund had a fund deficit of \$2,902,737. The deficits in the special revenue funds are due to adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur. The deficit in the capital projects fund 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.

B. Legal Compliance

Contrary to Section 5705.41 of the Ohio Revised Code, the Bond Retirement fund had expenditures plus encumbrances of \$462,559 which was \$10,559 in excess of appropriations of \$452,000.

Contrary to Section 5705.10 of the Ohio Revised Code, the Disadvantaged Pupil Program and Title V funds had cash fund deficits of \$31 and \$1,572, respectively, at June 30, 2005. In the future management will make advances to alleviate any cash basis deficits.

Contrary to Ohio Revised Code Section 5705.39, the Building fund had final appropriations of \$849,253 which was \$29,831 in excess of certified available resources of \$819,422. The School District will more closely monitor budgetary transactions to avoid future violations.

Note 5 - Budgetary Basis of Accounting

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

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).

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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	\$1,321,617
Net Adjustment for Revenue Accruals	624,765
Net Adjustment for Expenditure Accruals	1,190,273
Notes Issued	3,515,000
Principal Retirement	(3,594,000)
Adjustments for Encumbrances	<u>(865,461)</u>
Budget Basis	<u><u>\$2,192,194</u></u>

Note 6 - Deposits and Investments

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

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

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

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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;

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

At year end, the School District had \$11,540 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$5,199,424 of the School District's bank balance of \$5,299,424 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

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

Investments

As of June 30, 2005, the School District had one investment, STAROhio. The School District's investment in STAROhio had a carrying and fair value of \$1,231,380 and an average days to maturity of 33 days. The investment is in an internal investment pool.

Credit Risk STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2005 tangible personal property tax settlement was not received until July 2005.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax settlement 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. In the governmental funds, the portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2005 was \$2,201,499 in the general fund and \$61,078 in the building capital projects fund. The amount available to the School District 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.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

The late tax settlement made by the County for fiscal year 2005 was \$218,189 in the general fund and \$5,279 in the building capital projects fund.

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

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

	2004 Second Half Collections		2005 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$374,057,220	87.45 %	\$373,042,100	89.74 %
Public Utility	16,597,690	3.88	15,810,410	3.80
Tangible Personal Property	37,096,385	8.67	26,849,165	6.46
	\$427,751,295	100.00 %	\$415,701,675	100.00 %
Tax rate per \$1,000 of assessed valuation	\$64.30		\$63.50	

Note 8 - Receivables

Receivables at June 30, 2005, 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:

	Amounts
<i>Major Fund:</i>	
General Fund	\$3,426
 <i>Nonmajor Funds:</i>	
Title I	16,220
Title V	7,931
Drug Free Schools	4,459
<i>Total Nonmajor Funds</i>	28,610
 Total All Funds	 \$32,036

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Balance 6/30/04	Additions	Deletions	Balance 6/30/05
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,212,362	\$0	\$0	\$1,212,362
 <i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	14,588,578	1,167,513	(82,169)	15,673,922
Furniture and Equipment	4,355,434	142,605	(240,035)	4,258,004
Vehicles	1,283,932	191,228	(159,182)	1,315,978
Textbooks	1,142,336	0	0	1,142,336
<i>Total Capital Assets, being depreciated</i>	<u>21,370,280</u>	<u>1,501,346</u>	<u>(481,386)</u>	<u>22,390,240</u>
 Less Accumulated Depreciation:				
Buildings and Improvements	(7,615,884)	(249,586)	82,169	(7,783,301)
Furniture and Equipment	(3,319,266)	(142,627)	240,035	(3,221,858)
Vehicles	(623,474)	(109,598)	159,182	(573,890)
Textbooks	(1,061,924)	(22,975)	0	(1,084,899)
Total Accumulated Depreciation	<u>(12,620,548)</u>	<u>(524,786) *</u>	<u>481,386</u>	<u>(12,663,948)</u>
<i>Total Capital Assets, being depreciated, net</i>	<u>8,749,732</u>	<u>976,560</u>	<u>0</u>	<u>9,726,292</u>
Governmental Activities Capital Assets, Net	<u>\$9,962,094</u>	<u>\$976,560</u>	<u>\$0</u>	<u>\$10,938,654</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$325,386
Support Services:	
Administration	16,606
Operation and Maintenance of Plant	3,270
Pupil Transportation	124,751
Extracurricular Activities	53,696
Food Service Operations	1,077
Total Depreciation Expense	<u>\$524,786</u>

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 2005, the School District contracted for the following insurance coverage:

Company	Type of Coverage	Coverage Amount
Indiana Insurance Company	Property	\$66,513,671
	General Liability, in aggregate	2,000,000
	General Liability, per occurrence	1,000,000
	Medical Expense, any one person	5,000
	Boiler and Machinery	30,000,000
	Uninsured Motorist	50,000
	Blanket Bond	5,000
Flaherty	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 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, 2005, 2004, and 2003 were \$561,505, \$429,752 and \$384,625 respectively; 48.53 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

B. State Teachers Retirement System

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

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

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon 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, 2005, 2004, and 2003 were \$1,802,299, \$1,600,171 and \$1,489,735 respectively; 80.51 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$20,429 made by the School District and \$31,493 made by the plan members.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All 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, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$140,210 for fiscal year 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2005 fiscal year equaled \$257,181.

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, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 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 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

B. Litigation

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.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 15 - Short-Term Obligations

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

	Outstanding 6/30/04	Additions	Deletions	Outstanding 6/30/05
General Fund				
2004 Energy Conservation Notes 2.00%	\$296,000	\$0	\$296,000	\$0
2005 Energy Conservation Notes 3.00%	0	232,000	0	232,000
2004 School Improvement Notes 1.50%	287,000	0	287,000	0
2005 School Improvement Notes 3.85%	0	272,000	0	272,000
Total General Fund	<u>583,000</u>	<u>504,000</u>	<u>583,000</u>	<u>504,000</u>
Capital Projects Fund - Building				
2004 Energy Conservation Notes 1.50%	3,011,000	0	3,011,000	0
2005 Energy Conservation Notes 3.85%	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>\$3,594,000</u>	<u>\$3,515,000</u>	<u>\$3,594,000</u>	<u>\$3,515,000</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 2005 energy conservation bond anticipation notes were issued to refinance 2004 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.

The 2005 school improvement bond anticipation notes were issued to refinance 2004 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, 2005

Note 16 - Long-Term Obligations

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

	Principal Outstanding 6/30/04	Additions	Reductions	Principal Outstanding 6/30/05	Amount Due in One Year
General Obligation Bonds:					
\$870,000 2001 5.15%					
School Improvement	\$195,000	\$0	\$195,000	\$0	\$0
Long-Term Notes:					
\$1,203,000 2004 2.50%					
Long-Term Notes	1,203,000	0	223,000	980,000	230,000
Premium on Long-Term Notes	17,383	0	4,346	13,037	4,346
Total 2004 Long-Term Notes	1,220,383	0	227,346	993,037	234,346
Compensated Absences	1,655,735	122,315	111,718	1,666,332	419,262
Total Governmental Activities					
Long-Term Liabilities	<u>\$3,071,118</u>	<u>\$122,315</u>	<u>\$534,064</u>	<u>\$2,659,369</u>	<u>\$653,608</u>

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 were paid with property taxes from the bond retirement debt service fund.

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 from the bond retirement debt service fund 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.

The School District's overall debt margin was \$34,330,873 with an unvoted debt margin of \$415,702 at June 30, 2005. Principal and interest requirements to retire the notes outstanding at June 30, 2005 are as follows:

Fiscal Year Ending	Long-Term Notes	
	Principal	Interest
2006	\$230,000	\$21,625
2007	240,000	15,750
2008	250,000	9,625
2009	260,000	3,250
Totals	<u>\$980,000</u>	<u>\$50,250</u>

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 17 - 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 \$55,958 to LNOCA during fiscal year 2005. 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 2005, 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 2003.

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.

In 1997, 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 School District also participates in the Council's prepaid natural gas program. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

Maple Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 18 - 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, 2004	\$0	(\$1,014,211)
Current Year Set-Aside Requirement	272,812	272,812
Offsets During the Fiscal Year	(230,926)	0
Qualifying Disbursements	(905,054)	(613,226)
Totals	(\$863,168)	(\$1,354,625)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0	(\$1,354,625)
Set-Aside Reserve Balance as of June 30, 2005	\$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, 2005

Note 19 - Interfund Balances

The general fund reported an interfund receivable of \$1,603 and the Disadvantaged Pupil Program and Title V special revenue funds reported interfund payables of \$31 and \$1,572, respectively, at June 30, 2005. These advances were made to cover negative cash balances.

**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.

Latchkey Program Fund – This fund accounts for funds received to provide summer and after school child care.

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.

(continued)

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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.

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.

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, 2005

	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	\$994,404	\$432,722	\$14,303	\$1,441,429
Accounts Receivable	3,856	0	0	3,856
Intergovernmental Receivable	28,610	0	0	28,610
Inventory Held for Resale	3,627	0	0	3,627
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$1,030,497</u>	<u>\$432,722</u>	<u>\$14,303</u>	<u>\$1,477,522</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$36,189	\$0	\$0	\$36,189
Accrued Wages	154,144	0	0	154,144
Intergovernmental Payable	15,435	0	0	15,435
Interfund Payable	1,603	0	0	1,603
Deferred Revenue	28,610	0	0	28,610
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>235,981</u>	<u>0</u>	<u>0</u>	<u>235,981</u>
Fund Balances:				
Reserved for Encumbrances	253,663	0	0	253,663
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	540,853	0	0	540,853
Debt Service Funds	0	432,722	0	432,722
Capital Projects Funds	0	0	14,303	14,303
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>794,516</u>	<u>432,722</u>	<u>14,303</u>	<u>1,241,541</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,030,497</u>	<u>\$432,722</u>	<u>\$14,303</u>	<u>\$1,477,522</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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$351,250	\$0	\$351,250
Intergovernmental	3,855,201	20,021	33,285	3,908,507
Charges for Services	618,062	0	0	618,062
Tuition and Fees	124,806	0	0	124,806
Extracurricular Activities	94,618	0	0	94,618
Contributions and Donations	37,114	0	0	37,114
Miscellaneous	160,749	0	0	160,749
<i>Total Revenues</i>	<u>4,890,550</u>	<u>371,271</u>	<u>33,285</u>	<u>5,295,106</u>
Expenditures				
Current:				
Instruction:				
Regular	1,495,102	0	0	1,495,102
Special	1,309,946	0	0	1,309,946
Vocational	78,240	0	0	78,240
Adult/Continuing	3,999	0	0	3,999
Support Services:				
Pupil	11,397	0	0	11,397
Instructional Staff	418,549	0	0	418,549
Board of Education	7,742	0	0	7,742
Administration	78,489	0	0	78,489
Fiscal	5,455	0	0	5,455
Operation and Maintenance of Plant	46,800	0	0	46,800
Central	1,910	0	0	1,910
Operation of Non-instructional Services	168,534	0	0	168,534
Extracurricular Activities	191,991	0	0	191,991
Food Service Operations	1,425,673	0	0	1,425,673
Capital Outlay	0	0	48,118	48,118
Debt Service:				
Principal Retirement	0	418,000	0	418,000
Interest and Fiscal Charges	0	44,559	0	44,559
<i>Total Expenditures</i>	<u>5,243,827</u>	<u>462,559</u>	<u>48,118</u>	<u>5,754,504</u>
<i>Net Change in Fund Balances</i>	(353,277)	(91,288)	(14,833)	(459,398)
<i>Fund Balances Beginning of Year</i>	<u>1,147,793</u>	<u>524,010</u>	<u>29,136</u>	<u>1,700,939</u>
<i>Fund Balances End of Year</i>	<u><u>\$794,516</u></u>	<u><u>\$432,722</u></u>	<u><u>\$14,303</u></u>	<u><u>\$1,241,541</u></u>

Maple Heights City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2005

	<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	\$84,961	\$95,040	\$119,244	\$23,993	\$10,080
Accounts Receivable	0	3,856	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Inventory Held for Resale	3,627	0	0	0	0
<i>Total Assets</i>	<u>\$88,588</u>	<u>\$98,896</u>	<u>\$119,244</u>	<u>\$23,993</u>	<u>\$10,080</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$12,706	\$0	\$1,486	\$0
Accrued Wages	25,834	0	13,457	0	0
Intergovernmental Payable	12,667	0	183	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>38,501</u>	<u>12,706</u>	<u>13,640</u>	<u>1,486</u>	<u>0</u>
Fund Balances (Deficit)					
Reserved for Encumbrances	0	2,766	0	1,387	1,853
Unreserved, Undesignated	50,087	83,424	105,604	21,120	8,227
<i>Total Fund Balances (Deficit)</i>	<u>50,087</u>	<u>86,190</u>	<u>105,604</u>	<u>22,507</u>	<u>10,080</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$88,588</u>	<u>\$98,896</u>	<u>\$119,244</u>	<u>\$23,993</u>	<u>\$10,080</u>

(continued)

Maple Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2005

	<u>Latchkey Program</u>	<u>Athletics and Music</u>	<u>Auxiliary Services</u>	<u>Professional Development Block Grant</u>	<u>Management Information Systems</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$3,570	\$26,207	\$14,964	\$7,470	\$13,703
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
<i>Total Assets</i>	<u>\$3,570</u>	<u>\$26,207</u>	<u>\$14,964</u>	<u>\$7,470</u>	<u>\$13,703</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$55	\$148	\$0	\$768
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	710	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>55</u>	<u>858</u>	<u>0</u>	<u>768</u>
Fund Balances (Deficit)					
Reserved for Encumbrances	0	13	10,396	0	0
Unreserved, Undesignated	3,570	26,139	3,710	7,470	12,935
<i>Total Fund Balances (Deficit)</i>	<u>3,570</u>	<u>26,152</u>	<u>14,106</u>	<u>7,470</u>	<u>12,935</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,570</u>	<u>\$26,207</u>	<u>\$14,964</u>	<u>\$7,470</u>	<u>\$13,703</u>

<u>Teacher Training and Development</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>
\$39,600	\$0	\$50,726	\$542	\$30,055	\$898	\$13,137
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$39,600</u>	<u>\$0</u>	<u>\$50,726</u>	<u>\$542</u>	<u>\$30,055</u>	<u>\$898</u>	<u>\$13,137</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	70	0	0	0	0	0
0	31	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>101</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	8,411	898	0
<u>39,600</u>	<u>(101)</u>	<u>50,726</u>	<u>542</u>	<u>21,644</u>	<u>0</u>	<u>13,137</u>
<u>39,600</u>	<u>(101)</u>	<u>50,726</u>	<u>542</u>	<u>30,055</u>	<u>898</u>	<u>13,137</u>
<u>\$39,600</u>	<u>\$0</u>	<u>\$50,726</u>	<u>\$542</u>	<u>\$30,055</u>	<u>\$898</u>	<u>\$13,137</u>

(continued)

Maple Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2005

	Alternative School	Miscellaneous State Grants	Eisenhower Math and Science	Title VI-B	Carl Perkins Grant
Assets					
Equity in Pooled Cash and Cash Equivalents	\$3,888	\$51,205	\$4,892	\$36,334	\$1,570
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
<i>Total Assets</i>	<u>\$3,888</u>	<u>\$51,205</u>	<u>\$4,892</u>	<u>\$36,334</u>	<u>\$1,570</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	874	0
Intergovernmental Payable	0	0	0	13	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>887</u>	<u>0</u>
Fund Balances (Deficit)					
Reserved for Encumbrances	0	0	0	2,275	1,040
Unreserved, Undesignated	3,888	51,205	4,892	33,172	530
<i>Total Fund Balances (Deficit)</i>	<u>3,888</u>	<u>51,205</u>	<u>4,892</u>	<u>35,447</u>	<u>1,570</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,888</u>	<u>\$51,205</u>	<u>\$4,892</u>	<u>\$36,334</u>	<u>\$1,570</u>

<u>Title I</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>
\$128,640	\$0	\$26,879	\$21,448	\$97	\$185,261	\$994,404
0	0	0	0	0	0	3,856
16,220	7,931	4,459	0	0	0	28,610
0	0	0	0	0	0	3,627
<u>\$144,860</u>	<u>\$7,931</u>	<u>\$31,338</u>	<u>\$21,448</u>	<u>\$97</u>	<u>\$185,261</u>	<u>\$1,030,497</u>
\$5,500	\$0	\$1,540	\$7,867	\$0	\$6,119	\$36,189
65,649	6,237	0	5,835	0	36,258	154,144
705	65	0	75	0	947	15,435
0	1,572	0	0	0	0	1,603
16,220	7,931	4,459	0	0	0	28,610
<u>88,074</u>	<u>15,805</u>	<u>5,999</u>	<u>13,777</u>	<u>0</u>	<u>43,324</u>	<u>235,981</u>
118,301	233	719	13	97	105,261	253,663
(61,515)	(8,107)	24,620	7,658	0	36,676	540,853
<u>56,786</u>	<u>(7,874)</u>	<u>25,339</u>	<u>7,671</u>	<u>97</u>	<u>141,937</u>	<u>794,516</u>
<u>\$144,860</u>	<u>\$7,931</u>	<u>\$31,338</u>	<u>\$21,448</u>	<u>\$97</u>	<u>\$185,261</u>	<u>\$1,030,497</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, 2005

	Food Service	Uniform School Supplies	Mental Health and Mental Retardation	Public School Support
Revenues				
Intergovernmental	\$758,484	\$0	\$0	\$0
Charges for Services	618,062	0	0	0
Tuition and Fees	0	121,086	0	0
Extracurricular Activities	0	0	0	25,849
Contributions and Donations	0	0	0	37,114
Miscellaneous	0	0	150,811	0
<i>Total Revenues</i>	<u>1,376,546</u>	<u>121,086</u>	<u>150,811</u>	<u>62,963</u>
Expenditures				
Current:				
Instruction:				
Regular	0	109,436	0	0
Special	0	0	106,214	0
Vocational	0	23,165	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Board of Education	0	0	0	0
Administration	0	0	63,458	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	703	0	0
Extracurricular Activities	0	0	0	59,036
Food Service Operations	1,425,307	0	0	0
<i>Total Expenditures</i>	<u>1,425,307</u>	<u>133,304</u>	<u>169,672</u>	<u>59,036</u>
<i>Net Change in Fund Balances</i>	(48,761)	(12,218)	(18,861)	3,927
<i>Fund Balances Beginning of Year</i>	<u>98,848</u>	<u>98,408</u>	<u>124,465</u>	<u>18,580</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$50,087</u>	<u>\$86,190</u>	<u>\$105,604</u>	<u>\$22,507</u>

Local Grants	Latchkey Program	Athletics and Music	Auxiliary Services	Professional Development Block Grant	Management Information Systems	Teacher Training and Development
\$13,936	\$0	\$0	\$121,306	\$0	\$12,184	\$19,800
0	0	0	0	0	0	0
0	3,720	0	0	0	0	0
0	0	68,769	0	0	0	0
0	0	0	0	0	0	0
0	0	9,938	0	0	0	0
<u>13,936</u>	<u>3,720</u>	<u>78,707</u>	<u>121,306</u>	<u>0</u>	<u>12,184</u>	<u>19,800</u>
8,143	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,999	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	22,350	0	0
0	0	0	0	0	7,742	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	150	0	140,298	0	0	0
0	0	132,955	0	0	0	0
0	0	0	0	0	0	0
<u>12,142</u>	<u>150</u>	<u>132,955</u>	<u>140,298</u>	<u>22,350</u>	<u>7,742</u>	<u>0</u>
1,794	3,570	(54,248)	(18,992)	(22,350)	4,442	19,800
8,286	0	80,400	33,098	29,820	8,493	19,800
<u>\$10,080</u>	<u>\$3,570</u>	<u>\$26,152</u>	<u>\$14,106</u>	<u>\$7,470</u>	<u>\$12,935</u>	<u>\$39,600</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, 2005

	Disadvantaged Pupil Program	School Net Professional Development	Textbooks and Instructional Materials	Ohio Reads Grant
Revenues				
Intergovernmental	\$537,701	\$22,140	\$0	\$29,000
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>537,701</u>	<u>22,140</u>	<u>0</u>	<u>29,000</u>
Expenditures				
Current:				
Instruction:				
Regular	577,062	55,860	0	20,623
Special	516	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	4,100	0	10,242
Board of Education	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	0
Food Service Operations	0	0	0	0
<i>Total Expenditures</i>	<u>577,578</u>	<u>59,960</u>	<u>0</u>	<u>30,865</u>
<i>Net Change in Fund Balances</i>	(39,877)	(37,820)	0	(1,865)
<i>Fund Balances Beginning of Year</i>	<u>39,776</u>	<u>88,546</u>	<u>542</u>	<u>31,920</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$101)</u></u>	<u><u>\$50,726</u></u>	<u><u>\$542</u></u>	<u><u>\$30,055</u></u>

<u>Summer School Subsidy</u>	<u>Career Tech and Adult Equipment</u>	<u>Alternative School</u>	<u>Miscellaneous State Grants</u>	<u>Eisenhower Math and Science</u>
\$79,973	\$2,972	\$50,688	\$7,700	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>79,973</u>	<u>2,972</u>	<u>50,688</u>	<u>7,700</u>	<u>0</u>
118,041	0	0	3,810	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
39,810	0	0	0	0
0	0	0	0	0
0	0	0	10,000	0
0	0	0	0	0
0	0	46,800	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
109	0	0	0	0
<u>157,960</u>	<u>0</u>	<u>46,800</u>	<u>13,810</u>	<u>0</u>
(77,987)	2,972	3,888	(6,110)	0
<u>78,885</u>	<u>10,165</u>	<u>0</u>	<u>57,315</u>	<u>4,892</u>
<u>\$898</u>	<u>\$13,137</u>	<u>\$3,888</u>	<u>\$51,205</u>	<u>\$4,892</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, 2005

	Title VI-B	Carl Perkins Grant	Title I	Title V
Revenues				
Intergovernmental	\$767,193	\$70,303	\$883,464	\$31,753
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>767,193</u>	<u>70,303</u>	<u>883,464</u>	<u>31,753</u>
Expenditures				
Current:				
Instruction:				
Regular	80	0	223,178	55,041
Special	753,855	0	449,361	0
Vocational	0	55,075	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	5,765	0	0
Instructional Staff	0	7,308	260,439	9,276
Board of Education	0	0	0	0
Administration	0	0	5,031	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	1,910	0	0
Operation of Non-instructional Services	13,186	0	12,062	2,135
Extracurricular Activities	0	0	0	0
Food Service Operations	0	123	134	0
<i>Total Expenditures</i>	<u>767,121</u>	<u>70,181</u>	<u>950,205</u>	<u>66,452</u>
<i>Net Change in Fund Balances</i>	72	122	(66,741)	(34,699)
<i>Fund Balances Beginning of Year</i>	<u>35,375</u>	<u>1,448</u>	<u>123,527</u>	<u>26,825</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$35,447</u></u>	<u><u>\$1,570</u></u>	<u><u>\$56,786</u></u>	<u><u>(\$7,874)</u></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>
\$33,057	\$35,645	\$0	\$377,902	\$3,855,201
0	0	0	0	618,062
0	0	0	0	124,806
0	0	0	0	94,618
0	0	0	0	37,114
0	0	0	0	160,749
<u>33,057</u>	<u>35,645</u>	<u>0</u>	<u>377,902</u>	<u>4,890,550</u>
0	38,980	0	284,848	1,495,102
0	0	0	0	1,309,946
0	0	0	0	78,240
0	0	0	0	3,999
0	0	0	5,632	11,397
18,882	16,972	0	29,170	418,549
0	0	0	0	7,742
0	0	0	0	78,489
0	0	5,455	0	5,455
0	0	0	0	46,800
0	0	0	0	1,910
0	0	0	0	168,534
0	0	0	0	191,991
0	0	0	0	1,425,673
<u>18,882</u>	<u>55,952</u>	<u>5,455</u>	<u>319,650</u>	<u>5,243,827</u>
14,175	(20,307)	(5,455)	58,252	(353,277)
<u>11,164</u>	<u>27,978</u>	<u>5,552</u>	<u>83,685</u>	<u>1,147,793</u>
<u>\$25,339</u>	<u>\$7,671</u>	<u>\$97</u>	<u>\$141,937</u>	<u>\$794,516</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, 2005

	<u>Beginning Balance June 30, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2005</u>
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$59,863</u>	<u>\$134,281</u>	<u>\$124,573</u>	<u>\$69,571</u>
Liabilities				
Due to Students	<u>\$59,863</u>	<u>\$134,281</u>	<u>\$124,573</u>	<u>\$69,571</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$14,653,972	\$15,149,232	\$15,867,548	\$718,316
Intergovernmental	16,312,820	16,864,144	17,663,965	799,821
Interest	104,074	107,591	112,717	5,126
Charges for Services	23,527	24,353	25,410	1,057
Tuition and Fees	668,391	690,981	723,718	32,737
Extracurricular Activities	3,516	3,635	3,674	39
Rentals	352	363	233	(130)
Contributions and Donations	703	727	851	124
Miscellaneous	118,167	122,131	47,060	(75,071)
<i>Total Revenues</i>	<u>31,885,522</u>	<u>32,963,157</u>	<u>34,445,176</u>	<u>1,482,019</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	7,795,796	7,943,459	7,661,426	282,033
Fringe Benefits	2,281,104	2,538,636	2,538,636	0
Purchased Services	1,603,996	1,858,489	1,858,489	0
Materials and Supplies	273,705	168,451	168,450	1
Capital Outlay	124,452	197,821	197,821	0
Total Regular	<u>12,079,053</u>	<u>12,706,856</u>	<u>12,424,822</u>	<u>282,034</u>
Special:				
Salaries	2,521,688	2,195,658	2,117,023	78,635
Fringe Benefits	603,310	703,407	703,407	0
Purchased Services	219,932	615,445	615,445	0
Materials and Supplies	2,994	1,930	1,930	0
Capital Outlay	0	1,538	1,538	0
Total Special	<u>3,347,924</u>	<u>3,517,978</u>	<u>3,439,343</u>	<u>78,635</u>
Vocational:				
Salaries	1,080,246	1,063,640	1,025,627	38,013
Fringe Benefits	273,300	340,777	340,777	0
Purchased Services	193,243	186,573	186,573	0
Materials and Supplies	62,899	90,411	90,411	0
Capital Outlay	8,536	17,331	17,331	0
Other	179	1,877	1,877	0
Total Vocational	<u>1,618,403</u>	<u>1,700,609</u>	<u>1,662,596</u>	<u>38,013</u>
Total Instruction	<u>\$17,045,380</u>	<u>\$17,925,443</u>	<u>\$17,526,761</u>	<u>\$398,682</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support Services:				
Pupil:				
Salaries	\$696,042	\$931,914	\$899,174	\$32,740
Fringe Benefits	300,742	298,762	298,762	0
Purchased Services	346,264	193,310	193,310	0
Materials and Supplies	47,377	38,288	38,288	0
Capital Outlay	3,175	1,787	1,787	0
Other	270	610	610	0
Total Pupil	<u>1,393,870</u>	<u>1,464,671</u>	<u>1,431,931</u>	<u>32,740</u>
Instructional Staff:				
Salaries	363,434	450,917	429,002	21,915
Fringe Benefits	65,875	142,540	142,540	0
Purchased Services	0	36	36	0
Materials and Supplies	500,314	385,276	385,276	0
Capital Outlay	2,859	1,630	1,630	0
Other	525	0	0	0
Total Instructional Staff	<u>933,007</u>	<u>980,399</u>	<u>958,484</u>	<u>21,915</u>
Board of Education:				
Salaries	13,362	19,529	18,800	729
Purchased Services	3,808	1,801	1,801	0
Materials and Supplies	2,551	1,406	1,406	0
Other	11,316	9,878	9,878	0
Total Board of Education	<u>31,037</u>	<u>32,614</u>	<u>31,885</u>	<u>729</u>
Administration:				
Salaries	1,898,947	2,047,984	1,975,174	72,810
Fringe Benefits	618,424	676,470	676,470	0
Purchased Services	469,657	383,043	383,043	0
Materials and Supplies	105,719	130,498	130,498	0
Capital Outlay	0	11,508	11,508	0
Other	7,081	7,782	7,782	0
Total Administration	<u>3,099,828</u>	<u>3,257,285</u>	<u>3,184,475</u>	<u>72,810</u>
Fiscal:				
Salaries	510,689	324,260	294,788	29,472
Fringe Benefits	127,799	139,359	139,359	0
Purchased Services	241,566	430,588	430,588	0
Materials and Supplies	30,945	34,579	34,579	0
Capital Outlay	28,493	1,575	1,575	0
Other	315,253	388,119	388,119	0
Total Fiscal	<u>\$1,254,745</u>	<u>\$1,318,480</u>	<u>\$1,289,008</u>	<u>\$29,472</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Business:				
Salaries	\$113,487	\$250,573	\$234,985	\$15,588
Fringe Benefits	115,687	115,002	115,002	0
Purchased Services	89,991	77,119	77,119	0
Materials and Supplies	142,720	172,542	172,542	0
Capital Outlay	193,303	74,106	74,106	0
Other	8,476	8,033	8,033	0
Total Business	<u>663,664</u>	<u>697,375</u>	<u>681,787</u>	<u>15,588</u>
Operation and Maintenance of Plant:				
Salaries	2,143,730	1,844,231	1,401,659	442,572
Fringe Benefits	718,779	813,911	813,911	0
Purchased Services	1,850,615	2,444,835	2,444,835	0
Materials and Supplies	194,579	126,252	126,250	2
Capital Outlay	310,368	253,894	253,894	0
Total Operation and Maintenance of Plant	<u>5,218,071</u>	<u>5,483,123</u>	<u>5,040,549</u>	<u>442,574</u>
Pupil Transportation:				
Salaries	307,543	541,772	511,234	30,538
Fringe Benefits	229,841	241,684	241,684	0
Purchased Services	358,414	319,356	319,356	0
Materials and Supplies	83,538	98,423	98,423	0
Capital Outlay	300,501	120,446	120,446	0
Other	20,294	44,491	44,491	0
Total Pupil Transportation	<u>1,300,131</u>	<u>1,366,172</u>	<u>1,335,634</u>	<u>30,538</u>
Central:				
Purchased Services	3,707	1,999	1,820	179
Materials and Supplies	3,891	5,985	5,985	0
Total Central	<u>7,598</u>	<u>7,984</u>	<u>7,805</u>	<u>179</u>
Total Support Services	<u>13,901,951</u>	<u>14,608,103</u>	<u>13,961,558</u>	<u>646,545</u>
Extracurricular Activities:				
Academic Oriented:				
Purchased Services	28,288	30,209	29,440	769
Materials and Supplies	4,460	4,203	4,203	0
Total Academic Oriented	<u>\$32,748</u>	<u>\$34,412</u>	<u>\$33,643</u>	<u>\$769</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Sports Oriented:				
Salaries	\$301,920	\$314,469	\$305,609	\$8,860
Fringe Benefits	72,081	76,894	76,894	0
Purchased Services	3,203	4,877	4,877	0
Materials and Supplies	<u>0</u>	<u>124</u>	<u>124</u>	<u>0</u>
Total Sports Oriented	<u>377,204</u>	<u>396,364</u>	<u>387,504</u>	<u>8,860</u>
School and Public Service:				
Salaries	196,321	205,293	200,682	4,611
Purchased Services	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total School and Public Service	<u>196,321</u>	<u>206,293</u>	<u>201,682</u>	<u>4,611</u>
Total Extracurricular Activities	<u>606,273</u>	<u>637,069</u>	<u>622,829</u>	<u>14,240</u>
Capital Outlay:				
Building Acquisition:				
Other	4,239	4,455	4,355	100
Other Facilities Acquisition:				
Purchased Services	<u>32,548</u>	<u>34,202</u>	<u>33,437</u>	<u>765</u>
Total Capital Outlay	<u>36,787</u>	<u>38,657</u>	<u>37,792</u>	<u>865</u>
Debt Service:				
Principal Retirement	3,552,534	3,594,000	3,594,000	0
Interest and Fiscal Charges	<u>0</u>	<u>138,984</u>	<u>55,541</u>	<u>83,443</u>
Total Debt Service	<u>3,552,534</u>	<u>3,732,984</u>	<u>3,649,541</u>	<u>83,443</u>
<i>Total Expenditures</i>	<u>35,142,925</u>	<u>36,942,256</u>	<u>35,798,481</u>	<u>1,143,775</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,257,403)</u>	<u>(3,979,099)</u>	<u>(1,353,305)</u>	<u>2,625,794</u>
Other Financing Sources (Uses)				
Notes Issued	3,274,448	3,385,114	3,515,000	129,886
Notes Premium	0	0	30,499	30,499
Transfers Out	<u>(13,561)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>3,260,887</u>	<u>3,385,114</u>	<u>3,545,499</u>	<u>160,385</u>
<i>Net Change in Fund Balance</i>	3,484	(593,985)	2,192,194	2,786,179
<i>Fund Balance Beginning of Year</i>	795,019	795,019	795,019	0
Prior Year Encumbrances Appropriated	<u>205,486</u>	<u>205,486</u>	<u>205,486</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,003,989</u>	<u>\$406,520</u>	<u>\$3,192,699</u>	<u>\$2,786,179</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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes			
Property Taxes	\$364,686	\$178,278	(\$186,408)
Intergovernmental	107,697	52,648	(55,049)
<i>Total Revenues</i>	<u>472,383</u>	<u>230,926</u>	<u>(241,457)</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Materials and Supplies	172,712	101,465	71,247
Capital Outlay	676,541	397,455	279,086
<i>Total Expenditures</i>	<u>849,253</u>	<u>498,920</u>	<u>350,333</u>
<i>Net Change in Fund Balance</i>	(376,870)	(267,994)	108,876
<i>Fund Balance Beginning of Year</i>	3,786	3,786	0
Prior Year Encumbrances Appropriated	<u>343,253</u>	<u>343,253</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$29,831)</u></u>	<u><u>\$79,045</u></u>	<u><u>\$108,876</u></u>

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$758,902	\$754,191	(\$4,711)
Charges for Services	621,923	618,062	(3,861)
<i>Total Revenues</i>	<u>1,380,825</u>	<u>1,372,253</u>	<u>(8,572)</u>
Expenditures			
Current:			
Food Services Operations:			
Salaries	604,184	565,829	38,355
Fringe Benefits	193,777	181,476	12,301
Purchased Services	23,143	21,674	1,469
Materials and Supplies	636,179	595,794	40,385
Capital Outlay	17,696	16,573	1,123
Other	65	60	5
<i>Total Expenditures</i>	<u>1,475,044</u>	<u>1,381,406</u>	<u>93,638</u>
<i>Net Change in Fund Balance</i>	(94,219)	(9,153)	85,066
<i>Fund Balance Beginning of Year</i>	94,177	94,177	0
Prior Year Encumbrances Appropriated	<u>44</u>	<u>44</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2</u></u>	<u><u>\$85,068</u></u>	<u><u>\$85,066</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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$115,000	\$119,068	\$4,068
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	125,383	104,423	20,960
Vocational:			
Materials and Supplies	27,971	23,165	4,806
Total Instruction	153,354	127,588	25,766
Operation of Non-Instructional Services:			
Materials and Supplies	703	703	0
<i>Total Expenditures</i>	154,057	128,291	25,766
<i>Net Change in Fund Balance</i>	(39,057)	(9,223)	29,834
<i>Fund Balance Beginning of Year</i>	94,965	94,965	0
Prior Year Encumbrances Appropriated	6,532	6,532	0
<i>Fund Balance End of Year</i>	\$62,440	\$92,274	\$29,834

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$75,000	\$150,811	\$75,811
Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	94,672	92,324	2,348
Capital Outlay	257	250	7
Total Instruction	94,929	92,574	2,355
Support Services:			
Administration:			
Salaries	48,728	47,520	1,208
Fringe Benefits	16,343	15,938	405
Total Support Services	65,071	63,458	1,613
<i>Total Expenditures</i>	160,000	156,032	3,968
<i>Net Change in Fund Balance</i>	(85,000)	(5,221)	79,779
<i>Fund Balance Beginning of Year</i>	124,465	124,465	0
<i>Fund Balance End of Year</i>	\$39,465	\$119,244	\$79,779

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$19,194	\$25,849	\$6,655
Contributions and Donations	27,558	37,114	9,556
<i>Total Revenues</i>	<u>46,752</u>	<u>62,963</u>	<u>16,211</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic Oriented:			
Purchased Services	1,127	1,055	72
Materials and Supplies	61,704	57,752	3,952
Capital Outlay	997	933	64
<i>Total Expenditures</i>	<u>63,828</u>	<u>59,740</u>	<u>4,088</u>
<i>Net Change in Fund Balance</i>	(17,076)	3,223	20,299
<i>Fund Balance Beginning of Year</i>	16,251	16,251	0
Prior Year Encumbrances Appropriated	<u>2,328</u>	<u>2,328</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,503</u></u>	<u><u>\$21,802</u></u>	<u><u>\$20,299</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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$35,000	\$13,936	(\$21,064)
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	11,428	9,996	1,432
Adult/Continuing:			
Capital Outlay	4,572	3,999	573
<i>Total Expenditures</i>	16,000	13,995	2,005
<i>Net Change in Fund Balance</i>	19,000	(59)	(19,059)
<i>Fund Balance Beginning of Year</i>	8,286	8,286	0
<i>Fund Balance End of Year</i>	\$27,286	\$8,227	(\$19,059)

Maple Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Latchkey Program Fund
For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$3,720	\$3,720	\$0
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Purchased Services	2,000	150	1,850
<i>Net Change in Fund Balance</i>	1,720	3,570	1,850
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$1,720	\$3,570	\$1,850

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$104,848	\$68,769	(\$36,079)
Miscellaneous	15,152	9,938	(5,214)
<i>Total Revenues</i>	<u>120,000</u>	<u>78,707</u>	<u>(41,293)</u>
Expenditures			
Current:			
Extracurricular Activities:			
Occupational Oriented:			
Materials and Supplies	7,880	7,497	383
Sport Oriented Activities:			
Salaries	14,200	13,508	692
Fringe Benefits	2,785	2,649	136
Purchased Services	2,003	1,905	98
Materials and Supplies	99,582	94,730	4,852
Capital Outlay	1,748	1,663	85
Other	11,592	11,027	565
Total Sport Oriented Activities	<u>131,910</u>	<u>125,482</u>	<u>6,428</u>
School and Public Service Co-Curricular Activities:			
Other	210	200	10
<i>Total Expenditures</i>	<u>140,000</u>	<u>133,179</u>	<u>6,821</u>
<i>Net Change in Fund Balance</i>	(20,000)	(54,472)	(34,472)
<i>Fund Balance Beginning of Year</i>	<u>80,664</u>	<u>80,664</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$60,664</u></u>	<u><u>\$26,192</u></u>	<u><u>(\$34,472)</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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$215,000	\$121,306	(\$93,694)
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries	15,084	13,049	2,035
Fringe Benefits	1,652	1,429	223
Purchased Services	75,031	64,910	10,121
Materials and Supplies	88,473	76,538	11,935
Capital Outlay	166	144	22
<i>Total Expenditures</i>	180,406	156,070	24,336
<i>Net Change in Fund Balance</i>	34,594	(34,764)	(69,358)
<i>Fund Balance Beginning of Year</i>	23,776	23,776	0
Prior Year Encumbrances Appropriated	15,406	15,406	0
<i>Fund Balance End of Year</i>	\$73,776	\$4,418	(\$69,358)

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$29,643	\$24,210	(\$5,433)
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries	6,870	4,688	2,182
Purchased Services	25,882	17,662	8,220
<i>Total Expenditures</i>	32,752	22,350	10,402
<i>Net Change in Fund Balance</i>	(3,109)	1,860	4,969
<i>Fund Balance Beginning of Year</i>	5,358	5,358	0
Prior Year Encumbrances Appropriated	252	252	0
<i>Fund Balance End of Year</i>	\$2,501	\$7,470	\$4,969

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$11,507	\$12,184	\$677
Expenditures			
Current:			
Support Services:			
Board of Education:			
Capital Outlay	18,000	6,974	11,026
<i>Net Change in Fund Balance</i>	(6,493)	5,210	11,703
<i>Fund Balance Beginning of Year</i>	8,493	8,493	0
<i>Fund Balance End of Year</i>	\$2,000	\$13,703	\$11,703

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$40,000	\$19,800	(\$20,200)
Expenditures			
Current:			
Support Services:			
Fiscal:			
Capital Outlay - New	40,000	0	40,000
<i>Net Change in Fund Balance</i>	0	19,800	19,800
<i>Fund Balance Beginning of Year</i>	19,800	19,800	0
<i>Fund Balance End of Year</i>	\$19,800	\$39,600	\$19,800

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$590,000	\$537,701	(\$52,299)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	579,481	576,992	2,489
Special:			
Materials and Supplies	519	517	2
<i>Total Expenditures</i>	<u>580,000</u>	<u>577,509</u>	<u>2,491</u>
<i>Net Change in Fund Balance</i>	10,000	(39,808)	(49,808)
<i>Fund Balance Beginning of Year</i>	<u>39,777</u>	<u>39,777</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$49,777</u></u>	<u><u>(\$31)</u></u>	<u><u>(\$49,808)</u></u>

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$38,455	\$22,140	(\$16,315)
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay	116,918	55,860	61,058
Support Services:			
Instructional Staff:			
Purchased Services	8,582	4,100	4,482
<i>Total Expenditures</i>	125,500	59,960	65,540
<i>Net Change in Fund Balance</i>	(87,045)	(37,820)	49,225
<i>Fund Balance Beginning of Year</i>	85,546	85,546	0
Prior Year Encumbrances Appropriated	3,000	3,000	0
<i>Fund Balance End of Year</i>	\$1,501	\$50,726	\$49,225

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	542	542	0
<i>Fund Balance End of Year</i>	<u>\$542</u>	<u>\$542</u>	<u>\$0</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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$58,991	\$29,000	(\$29,991)
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	60,450	29,535	30,915
Support Services:			
Instructional Staff:			
Salaries	12,280	6,000	6,280
Materials and Supplies	8,682	4,242	4,440
Total Support Services	20,962	10,242	10,720
<i>Total Expenditures</i>	81,412	39,777	41,635
<i>Net Change in Fund Balance</i>	(22,421)	(10,777)	11,644
<i>Fund Balance Beginning of Year</i>	16,009	16,009	0
Prior Year Encumbrances Appropriated	16,412	16,412	0
<i>Fund Balance End of Year</i>	<u>\$10,000</u>	<u>\$21,644</u>	<u>\$11,644</u>

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$163,935	\$79,973	(\$83,962)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	163,075	109,389	53,686
Materials and Supplies	12,898	8,652	4,246
Total Instruction	175,973	118,041	57,932
Support Services:			
Instructional Staff:			
Purchased Services	231	155	76
Materials and Supplies	60,509	40,553	19,956
Total Support Services	60,740	40,708	20,032
Operation of Non-Instructional Services:			
Food Service Operations:			
Materials and Supplies	109	109	0
<i>Total Expenditures</i>	236,822	158,858	77,964
<i>Net Change in Fund Balance</i>	(72,887)	(78,885)	(5,998)
<i>Fund Balance Beginning of Year</i>	46,063	46,063	0
Prior Year Encumbrances Appropriated	32,822	32,822	0
<i>Fund Balance End of Year</i>	\$5,998	\$0	(\$5,998)

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$4,835	\$2,972	(\$1,863)
Expenditures			
Current:			
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	12,500	0	12,500
<i>Net Change in Fund Balance</i>	(7,665)	2,972	10,637
<i>Fund Balance Beginning of Year</i>	10,165	10,165	0
<i>Fund Balance End of Year</i>	\$2,500	\$13,137	\$10,637

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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	<u>\$57,500</u>	<u>\$50,688</u>	<u>(\$6,812)</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	<u>53,500</u>	<u>46,800</u>	<u>6,700</u>
<i>Net Change in Fund Balance</i>	4,000	3,888	(112)
<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>\$4,000</u></u>	<u><u>\$3,888</u></u>	<u><u>(\$112)</u></u>

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$23,776	\$7,700	(\$16,076)
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	28,846	6,130	22,716
Support Services:			
Administration:			
Other	47,064	10,000	37,064
<i>Total Expenditures</i>	<u>75,910</u>	<u>16,130</u>	<u>59,780</u>
<i>Net Change in Fund Balance</i>	(52,134)	(8,430)	43,704
<i>Fund Balance Beginning of Year</i>	56,225	56,225	0
Prior Year Encumbrances Appropriated	<u>3,410</u>	<u>3,410</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,501</u></u>	<u><u>\$51,205</u></u>	<u><u>\$43,704</u></u>

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, 2005

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

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$867,282	\$819,849	(\$47,433)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	88	80	8
Special:			
Purchased Services	830,414	755,243	75,171
Total Instruction	830,502	755,323	75,179
Operation of Non-Instructional Services:			
Community Services:			
Salaries	4,567	4,154	413
Fringe Benefits	34	31	3
Purchased Services	9,897	9,001	896
Total Operation of Non-Instructional Services	14,498	13,186	1,312
<i>Total Expenditures</i>	845,000	768,509	76,491
<i>Net Change in Fund Balance</i>	22,282	51,340	29,058
<i>Fund Balance (Deficit) Beginning of Year</i>	(17,281)	(17,281)	0
<i>Fund Balance End of Year</i>	\$5,001	\$34,059	\$29,058

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$84,526	\$70,303	(\$14,223)
Expenditures			
Current:			
Instruction:			
Vocational:			
Purchased Services	19,549	16,206	3,343
Materials and Supplies	29,911	24,796	5,115
Capital Outlay	18,603	15,421	3,182
Total Instruction	68,063	56,423	11,640
Support Services:			
Pupils:			
Materials and Supplies	6,954	5,765	1,189
Instructional Staff:			
Purchased Services	8,816	7,308	1,508
Central:			
Purchased Services	1,327	1,100	227
Materials and Supplies	1,002	810	192
Total Central	2,329	1,910	419
Total Support Services	18,099	14,983	3,116
Operation of Non-Instructional Services:			
Food Service Operations:			
Materials and Supplies	123	123	0
<i>Total Expenditures</i>	86,285	71,529	14,756
<i>Net Change in Fund Balance</i>	(1,759)	(1,226)	533
<i>Fund Balance Beginning of Year</i>	474	474	0
Prior Year Encumbrances Appropriated	1,285	1,285	0
<i>Fund Balance End of Year</i>	\$0	\$533	\$533

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,010,878	\$883,464	(\$127,414)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	27,984	24,971	3,013
Fringe Benefits	123,441	110,146	13,295
Purchased Services	12,021	10,726	1,295
Materials and Supplies	89,106	79,510	9,596
Total Regular	252,552	225,353	27,199
Special:			
Salaries	312,435	278,785	33,650
Fringe Benefits	4,891	4,364	527
Purchased Services	160,804	143,485	17,319
Total Special	478,130	426,634	51,496
Total Instruction	730,682	651,987	78,695
Support Services:			
Instructional Staff:			
Salaries	85,595	76,376	9,219
Purchased Services	248,312	221,568	26,744
Materials and Supplies	148,400	132,417	15,983
Total Instructional Staff	482,307	430,361	51,946
Administration:			
Purchased Services	5,638	5,031	607
Total Support Services	487,945	435,392	52,553
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	13,759	12,254	1,505
Capital Outlay	81	81	0
Total Community Services	13,840	12,335	1,505
Food Service Operations:			
Materials and Supplies	134	134	0
Total Operation of Non-Instructional Services	13,974	12,469	1,505
<i>Total Expenditures</i>	1,232,601	1,099,848	132,753
<i>Net Change in Fund Balance</i>	(221,723)	(216,384)	5,339
<i>Fund Balance Beginning of Year</i>	114,122	114,122	0
Prior Year Encumbrances Appropriated	112,601	112,601	0
<i>Fund Balance End of Year</i>	\$5,000	\$10,339	\$5,339

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$82,483	\$66,061	(\$16,422)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	27,360	23,600	3,760
Fringe Benefits	726	627	99
Purchased Services	22,500	19,409	3,091
Materials and Supplies	6,113	5,273	840
Total Instruction	56,699	48,909	7,790
Support Services:			
Instructional Staff:			
Purchased Services	2,968	2,560	408
Materials and Supplies	1,070	0	1,070
Capital Outlay	6,716	6,716	0
Total Support Services	10,754	9,276	1,478
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	2,547	2,198	349
<i>Total Expenditures</i>	70,000	60,383	9,617
<i>Net Change in Fund Balance</i>	12,483	5,678	(6,805)
<i>Fund Balance (Deficit) Beginning of Year</i>	(7,483)	(7,483)	0
<i>Fund Balance (Deficit) End of Year</i>	\$5,000	(\$1,805)	(\$6,805)

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$35,000	\$33,057	(\$1,943)
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	16,110	7,309	8,801
Materials and Supplies	26,890	12,200	14,690
Total Instructional Staff	43,000	19,509	23,491
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	0	92	(92)
<i>Total Expenditures</i>	43,000	19,601	23,399
<i>Net Change in Fund Balance</i>	(8,000)	13,456	21,456
<i>Fund Balance Beginning of Year</i>	11,164	11,164	0
<i>Fund Balance End of Year</i>	\$3,164	\$24,620	\$21,456

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$42,022	\$35,645	(\$6,377)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	50,574	36,688	13,886
Fringe Benefits	3,159	2,292	867
Total Instruction	53,733	38,980	14,753
Support Services:			
Instructional Staff:			
Purchased Services	117	85	32
Materials and Supplies	15,150	10,990	4,160
Total Support Services	15,267	11,075	4,192
<i>Total Expenditures</i>	69,000	50,055	18,945
<i>Net Change in Fund Balance</i>	(26,978)	(14,410)	12,568
<i>Fund Balance Beginning of Year</i>	27,978	27,978	0
<i>Fund Balance End of Year</i>	\$1,000	\$13,568	\$12,568

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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$5,806	\$0	(\$5,806)
Expenditures			
Current:			
Support Services:			
Fiscal:			
Purchased Services	<u>11,357</u>	<u>5,552</u>	<u>5,805</u>
<i>Net Change in Fund Balance</i>	(5,551)	(5,552)	(1)
<i>Fund Balance Beginning of Year</i>	5,195	5,195	0
Prior Year Encumbrances Appropriated	<u>357</u>	<u>357</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1</u></u>	<u><u>\$0</u></u>	<u><u>(\$1)</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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$630,656	\$393,048	(\$237,608)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	224,790	157,925	66,865
Fringe Benefits	36,468	25,620	10,848
Purchased Services	64,940	45,623	19,317
Materials and Supplies	175,818	123,519	52,299
Total Instruction	<u>502,016</u>	<u>352,687</u>	<u>149,329</u>
Support Services:			
Pupils:			
Purchased Services	8,017	5,632	2,385
Instructional Staff:			
Salaries	712	500	212
Purchased Services	2,982	2,095	887
Materials and Supplies	36,184	25,421	10,763
Total Instructional Staff	<u>39,878</u>	<u>28,016</u>	<u>11,862</u>
Total Support Services	<u>47,895</u>	<u>33,648</u>	<u>14,247</u>
Operation of Non-Instructional Services:			
Community Services:			
Capital Outlay	615	432	183
<i>Total Expenditures</i>	<u>550,526</u>	<u>386,767</u>	<u>163,759</u>
<i>Net Change in Fund Balance</i>	80,130	6,281	(73,849)
<i>Fund Balance Beginning of Year</i>	31,074	31,074	0
Prior Year Encumbrances Appropriated	<u>42,026</u>	<u>42,026</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$153,230</u>	<u>\$79,381</u>	<u>(\$73,849)</u>

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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$412,446	\$412,554	\$108
Intergovernmental	20,016	20,021	5
<i>Total Revenues</i>	<u>432,462</u>	<u>432,575</u>	<u>113</u>
Expenditures			
Debt Service:			
Principal Retirement	418,000	418,000	0
Interest and Fiscal Charges	34,000	44,559	(10,559)
<i>Total Expenditures</i>	<u>452,000</u>	<u>462,559</u>	<u>(10,559)</u>
<i>Net Change in Fund Balance</i>	(19,538)	(29,984)	(10,446)
<i>Fund Balance Beginning of Year</i>	<u>462,706</u>	<u>462,706</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$443,168</u></u>	<u><u>\$432,722</u></u>	<u><u>(\$10,446)</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, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$60,000	\$33,285	(\$26,715)
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	4,432	3,385	1,047
Capital Outlay	58,568	44,733	13,835
<i>Total Expenditures</i>	63,000	48,118	14,882
<i>Net Change in Fund Balance</i>	(3,000)	(14,833)	(11,833)
<i>Fund Balance Beginning of Year</i>	29,135	29,135	0
<i>Fund Balance End of Year</i>	\$26,135	\$14,302	(\$11,833)

This page intentionally left blank.

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Program Revenues				
Charges for Services	\$1,590,521	\$1,745,027	\$1,387,199	\$1,519,806
Operating Grants and Contributions	3,392,288	3,656,977	3,060,312	2,510,346
Capital Grants and Contributions	42,289	7,186	10,165	62,798
General Revenues				
Property Taxes (1)	16,001,657	16,506,121	9,997,283	14,798,209
Intergovernmental	17,734,028	15,486,963	14,505,903	14,957,255
Interest	140,342	53,631	24,003	97,110
Miscellaneous	207,271	318,334	267,952	108,026
Total	<u><u>\$39,108,396</u></u>	<u><u>\$37,774,239</u></u>	<u><u>\$29,252,817</u></u>	<u><u>\$34,053,550</u></u>
Expenses				
Current:				
Instruction:				
Regular	\$13,782,342	\$12,520,897	\$11,803,010	\$12,181,673
Special	4,690,649	3,998,714	3,292,012	3,902,191
Vocational	1,813,734	1,494,061	1,022,744	1,575,190
Adult/Continuing	3,999	3,732	4,884	0
Support Services:				
Pupil	1,479,856	1,648,119	1,112,096	1,247,504
Instructional Staff	1,146,975	968,426	382,115	652,149
Board of Education	37,689	33,943	20,051	45,792
Administration	3,369,823	2,919,834	3,248,639	3,228,317
Fiscal	1,324,760	1,064,745	1,957,935	840,566
Business	712,240	783,803	500,569	539,565
Operation and Maintenance of Plant	4,759,804	4,564,071	3,507,919	4,395,384
Pupil Transportation	1,471,543	1,255,010	1,224,932	1,477,070
Central	10,026	9,406	11,436	15,448
Operation of Non-Instructional Services	172,648	263,157	208,017	257,933
Extracurricular Activities	871,547	833,879	684,508	661,676
Food Service Operations	1,419,696	1,365,444	1,235,949	1,726,348
Interest and Fiscal Charges	111,064	98,534	128,592	211,091
Total	<u><u>\$37,178,395</u></u>	<u><u>\$33,825,775</u></u>	<u><u>\$30,345,408</u></u>	<u><u>\$32,957,897</u></u>

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
Last Ten Fiscal Years

	2005 (1)	2004 (1)	2003 (1)	2002 (1)
Revenues				
Property Taxes	\$15,298,310	\$15,308,688	\$9,235,898	\$14,105,785
Intergovernmental	17,667,391	15,402,429	14,960,104	14,788,804
Interest	140,342	53,464	24,003	87,110
Charges for Services	25,410	34,918	6,463	9,256
Tuition and Fees	723,718	910,063	515,250	491,306
Contributions and Donations	851	0	0	0
Extracurricular Activities	3,674	3,187	4,615	1,734
Rentals	233	0	590	650
Miscellaneous	46,522	309,569	304,232	106,292
Total	<u>\$33,906,451</u>	<u>\$32,022,318</u>	<u>\$25,051,155</u>	<u>\$29,590,937</u>

Expenditures

Current:

Instruction:				
Regular	\$12,799,516	\$11,617,635	\$10,729,759	\$11,193,107
Special	3,388,929	2,956,705	3,196,695	3,337,368
Vocational	1,723,648	1,424,482	942,301	1,583,960
Support Services:				
Pupil	1,482,708	1,664,065	1,116,862	1,231,145
Instructional Staff	732,881	747,303	361,800	567,639
Board of Education	29,947	34,044	21,174	44,568
Administration	3,341,913	2,917,932	3,206,399	3,052,370
Fiscal	1,356,416	1,016,335	1,925,052	880,330
Business	733,244	784,437	487,445	536,262
Operation and Maintenance of Plant	4,872,902	4,600,430	3,378,920	3,793,590
Pupil Transportation	1,393,641	1,497,022	1,108,797	1,322,949
Central	8,116	5,683	7,529	9,974
Extracurricular Activities	626,117	615,932	443,583	490,293
Capital Outlay	37,792	48,110	71,121	37,319
Debt Service	57,064	91,405	75,865	114,667
Total	<u>\$32,584,834</u>	<u>\$30,021,520</u>	<u>\$27,073,302</u>	<u>\$28,195,541</u>

Source: School District Financial Records

(1) 1997 through 2005 reported on a GAAP basis, 1996 on a Cash Basis.

2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996
\$11,550,438	\$10,665,777	\$12,160,508	\$11,484,719	\$12,388,447	\$10,062,072
12,871,124	11,491,564	10,799,692	9,367,497	8,695,013	7,644,263
281,272	264,172	237,698	240,780	187,346	143,517
6,705	8,684	9,869	15,700	12,400	0
461,604	454,622	743,071	77,246	3,039	2,030
0	0	190	260	159	0
0	748	50	832	39,964	35,430
0	1,230	1,202	2,009	1,771	0
186,896	199,461	105,442	185,254	103,679	296,286
<u>\$25,358,039</u>	<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>

\$10,327,314	\$10,431,891	\$9,356,418	\$10,206,070	\$7,805,679	\$8,336,911
2,541,803	2,260,219	2,066,191	1,964,947	1,502,806	1,559,595
1,572,326	1,420,454	1,334,077	1,452,870	1,111,166	1,141,434
1,223,258	1,168,883	1,105,891	923,626	1,025,230	935,860
523,240	488,356	406,643	425,890	416,361	347,776
32,001	32,178	32,498	34,321	45,050	32,386
2,923,164	2,435,233	2,251,987	1,970,699	1,902,100	2,105,173
1,171,771	485,561	568,421	755,231	553,586	437,898
9,909	479,085	531,546	459,783	397,810	334,106
3,173,066	2,864,937	2,720,897	2,588,457	2,385,854	2,212,315
1,130,694	1,339,733	1,021,630	861,357	887,216	689,725
6,396	8,217	9,704	8,172	0	0
453,001	448,731	490,443	438,692	363,369	378,686
0	72,954	5,644	7,237	32,423	5,690
112,847	106,517	109,770	64,320	100,135	0
<u>\$25,200,790</u>	<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>

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)
2005	\$373,042,100	\$1,065,834,571	\$15,810,410	\$17,966,375
2004	374,057,220	1,068,734,914	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

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 various rates from 25 to 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>
\$26,849,165	\$116,735,500	\$415,701,675	\$1,200,536,446	34.63 %
37,096,385	161,288,630	427,751,295	1,248,884,555	34.25
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

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 Current Levy</u>
2004	\$18,225,370	\$3,224,405	\$21,449,775	\$16,996,100	93.26 %	\$1,133,934	\$18,130,034	99.5 %
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

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. 2005 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
2005	\$63.50	\$2.00	\$18.30	\$15.50	\$99.30	\$0.00	\$0.88	\$2.40	\$3.28
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

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 Nine Years (4)*

Year	General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2005	\$0	\$415,701,675	26,156	0.00 %	\$0.00
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, 2005

Assessed Valuation	\$415,701,675
Overall Debt Limit - 9% of Assessed Value (1)	\$37,413,151
Amount of Debt Applicable to Debt Limit:	
Energy Conservation Notes	3,243,000
School Improvement Notes	272,000
Long Term Notes	980,000
Amount Available in Debt Service Fund	(432,722)
Total	4,062,278
Exemptions:	
Energy Conservation Notes	(3,243,000)
Long Term Notes	(980,000)
Total Exemptions	(4,223,000)
Amount of Debt Subject to the Limit	(160,722)
Overall Debt Margin	\$37,573,873
Unvoted Debt Limit - .10% of Assessed Value (1)	\$415,702
Amount of Debt Applicable	0
Unvoted Debt Margin	\$415,702
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - .9% of Assessed Valuation	\$3,741,315
Less: Energy Conservation Bonds	(3,243,000)
Additional Unvoted Debt Margin	\$498,315

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, 2004

<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>\$0</u>	<u>100.00%</u>	<u>\$0</u>
Overlapping:			
Cuyahoga County	249,645,029	1.41	3,519,995
Regional Transit Authority	147,025,000	1.41	2,073,053
City of Maple Heights	<u>6,978,805</u>	100.00	<u>6,978,805</u>
Total Overlapping	<u>403,648,834</u>		<u>12,571,853</u>
Total	<u><u>\$403,648,834</u></u>		<u><u>\$12,571,853</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 2004 collection year.

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2005	\$195,000	\$5,021	\$200,021	\$32,584,834	0.61 %
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>
2005	1,380,421	26,156	3,808	6.40 %
2004	1,380,421	26,156	3,721	6.60
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

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)
2005	27	\$1,042,822	\$105,769,931	\$373,042,100
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

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, 2004

<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	3.03 %
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>0.36</u>
Total	<u><u>\$34,563,520</u></u>	<u><u>9.27 %</u></u>
<i>Total Real Estate Tax Assessed Value</i>	<u><u>\$373,042,100</u></u>	

Source: Cuyahoga County Auditor's Office

(1) Assessed values are for the 2005 collection year.

Maple Heights City School District

Age and Capacity of Buildings

June 30, 2005

<u>School District Buildings</u>	<u>Age of Building</u>	<u>Building Capacity (in occupants)</u>	<u>Percentage of Capacity Used</u>
Dunham Elementary School	53 years	369	100 %
Raymond Elementary School	51 years	427	100
Rockside Elementary School	48 years	439	100
Stafford Elementary School	75 years	524	100
Milkovich Middle School	49 years	715	100
Maple Heights High School	85 years	1,370	100
Wylie Athletic Center	33 years	N/A*	100

Source: School District Records.

* The Wylie Athletic Center's capacity is included in the Maple Heights High School count.

Maple Heights City School District

Per Pupil Cost

Last Four Fiscal Years (1)

<u>Year</u>	<u>Governmental Activities Expenses</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2005	\$37,178,395	3,808	\$9,763
2004	33,825,775	3,721	9,091
2003	30,345,408	3,773	8,043
2002	32,957,897	3,815	8,639

Source: School District Financial Records.

(1) Prior to 2002 the School District did not report full accrual expenses.

Maple Heights City School District

Student to Teacher Ratio

Last Ten Fiscal Years

<u>Year</u>	<u>Number of Teachers</u>	<u>Average Daily Student Enrollment</u>	<u>Student Teacher Ratio</u>
2005	254	3,808	14.99
2004	222	3,721	16.76
2003	223	3,773	16.92
2002	246	3,815	15.51
2001	247	3,955	16.01
2000	243	3,860	15.88
1999	237	3,842	16.21
1998	220	3,891	17.69
1997	218	3,868	17.74
1996	200	3,720	18.60

Source: School District Financial Records.

Maple Heights City School District
Students in Free or Reduced Price Lunch Program
June 30, 2005

<u>School</u>	<u>Students Receiving Free Lunch</u>	<u>Percentage of Students Receiving Free Lunch</u>	<u>Students Receiving Reduced Lunch</u>	<u>Percentage of Students Receiving Reduced Lunch</u>
Dunham Elementary	167	41.85 %	64	16.04 %
Raymond Elementary	267	58.42	59	12.91
Rockside Elementary	229	48.93	63	13.46
Stafford Elementary	310	55.76	63	11.33
Milkovich Middle	368	49.40	81	10.87
Maple Heights High	428	31.26	110	8.04

Source: School District Records.

Maple Heights City School District

Teacher Education and Experience

June 30, 2005

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	60	23.62 %
Bachelor + 9	20	7.87
Bachelor + 18	44	17.32
Master's Degree	56	22.05
Master's + 9	24	9.45
Master's + 18	15	5.91
Master's + 30	12	4.72
Master's + 60	<u>23</u>	<u>9.06</u>
Total	<u><u>254</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	102	40.16 %
6 - 10	53	20.87
11 and Over	<u>99</u>	<u>38.97</u>
	<u><u>254</u></u>	<u><u>100.00 %</u></u>

Source: Maple Heights School District Personnel Records

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**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
DECEMBER 30, 2005**