

**Auditor of State
Betty Montgomery**

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

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

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003**

| Federal Grantor/ Pass Through Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Expenditures | Non-Cash Expenditures |
|--|--|---------------------------|------------------|----------------------|------------------|--------------------------|
| U.S. Department of Agriculture | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Nutrition Cluster: | | | | | | |
| Food Distribution | N/A | 10.550 | | \$103,720 | | \$103,720 |
| | | | | 103,720 | | 103,720 |
| Federal School Breakfast | 043646-05PU-2002 043646-05PU-2003 | 10.553 | \$ 638 | | \$ 638 | |
| | | | 1,778 | | 1,778 | |
| | | | 2,416 | | 2,416 | |
| Federal School Lunch | 043646-LLP4-2002 043646-LLP4-2003 | 10.555 | 26,915 | | 26,915 | |
| | | | 69,951 | | 69,951 | |
| | | | 96,866 | | 96,866 | |
| Total U.S. Department of Agriculture - Nutrition Cluster | | | 99,282 | 103,720 | 99,828 | 103,720 |
| U.S. Department of Education | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Title I, Part A | 043646-C1S1-2001 043646-C1S1-2002 043646-C1S1-2003 | 84.010 | 0 | | 731 | |
| | | | 0 | | 1,009 | |
| | | | 69,951 | | 69,812 | |
| Total Title I, Part A | | | 69,951 | | 71,552 | |
| Special Education Cluster: | | | | | | |
| Special Education Grants to States IDEA Part B | 043646-6BSF-2002P 043646-6BSF-2003P | 84.027 | 17,895 | | 83,868 | |
| | | | 346,811 | | 345,002 | |
| | | | 364,706 | | 428,870 | |
| Preschool Disability Grant | 043646-PGS1-2003P | 84.173 | 19,502 | | 19,502 | |
| | | | 19,502 | | 19,502 | |
| Total Special Education Cluster | | | 384,208 | | 448,372 | |
| Emergency Immigrant Education Assistance Grant Total Emergency Immigrant Education Assistance Grant | 043646-E1S1-00 | 84.162 | 0 | | 5,500 | |
| | | | 0 | | 5,500 | |
| Drug Free School Grant | 043646-DRS1-2002 043646-DRS1-2003 | 84.186 | 12,645 | | 14,468 | |
| | | | 12,748 | | 11,777 | |
| Total Drug Free School Grant | | | 25,393 | | 26,245 | |
| Eisenhower, Math & Science, Title II | 043646-MSS1-2000 043646-MSS1-2001 043646-MSS1-2002 | 84.281 | (521) | | 0 | |
| | | | (393) | | 1,258 | |
| | | | (4,315) | | 5,204 | |
| Total Eisenhower, Math & Science, Title II | | | (5,229) | | 6,462 | |
| Title V - Innovative Programs | 043646-C2S1-2001 043646-C2S1-2002 043646-C2S1-2003 | 84.298 | (1,259) | | 0 | |
| | | | 6,244 | | 5,242 | |
| | | | 23,343 | | 23,343 | |
| Total Title V - Innovative Programs | | | 28,328 | | 28,585 | |
| Title II-D Education Technology Grant Total II-D Education Technology Grant | 043646-TJS1-2003 | 84.318 | 1,915 | | 0 | |
| | | | 1,915 | | 0 | |
| Advanced Placement Grant Total Advanced Placement Grant | 043646-AVS1-2002 | 84.330 | 392 | | 392 | |
| | | | 392 | | 392 | |
| Title II, Part A - Teacher and Principal Training and Recruiting Total Title II, Part A - Teacher and Principal Training and Recruiting | 043646-TRS1-2003 | 84.367 | 70,859 | | 65,144 | |
| | | | 70,859 | | 65,144 | |
| Assistive Technology Infusion Grants | 043646-ATS1-2002 043646-ATS2-2002 043646-ATS3-2002 | 84.352A | (90) | | 2,840 | |
| | | | 10,937 | | 10,868 | |
| | | | 2,672 | | 800 | |
| Total Assistive Technology Infusion Grant | | | 13,519 | | 14,508 | |
| Reducing Class Size Total Reducing Class Size | 043646-CRS1-2002 | 84.340 | (4,987) | | 1,000 | |
| | | | (4,987) | | 1,000 | |
| Title III - Limited English Proficiency Grant Total Title III - Limited English Proficiency Grant | 043646-T3S1-2003 | 84.365 | 37,570 | | 35,308 | |
| | | | 37,570 | | 35,308 | |
| Total Department of Education | | | 621,919 | 0 | 703,068 | 0 |
| Total Federal Financial Assistance | | | \$721,201 | \$103,720 | \$802,896 | \$103,720 |

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

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

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B--FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the District had no significant food commodities in inventory.

NOTE C--FUND TRANSFER

Funds were transferred from Federal CFDA #84.340 to #84.367 in the amount of \$4,885 and Federal CFDA #84.281 to 84.367 in the amount of \$4,315, which caused a negative receipt in the Funds that had the transfer out.

NOTE D--NEGATIVE RECEIPTS

The negative receipts for; CFDA #84.281 in the amount of \$914, CFDA #84.298 in the amount of \$1,259, and CFDA #84.352 in the amount of \$90 were refunded to the state due to the expiration of the period of availability.

N/A – Not Applicable

CFDA – Catalog of Federal Domestic Assistance



**Auditor of State
Betty Montgomery**

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

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

We have audited the financial statements of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated November 14, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-001 and 2003-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated November 14, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2003-003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 14, 2003.

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

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

Betty Montgomery
Auditor of State

November 14, 2003



Auditor of State Betty Montgomery

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

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

Compliance

We have audited the compliance of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 14, 2003.

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 14, 2003. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

November 14, 2003

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505**

| |
|--|
| 1. SUMMARY OF AUDITOR'S RESULTS |
|--|

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

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

**SCHEDULE OF FINDINGS (Continued)
OMB CIRCULAR A -133 §.505**

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

| | |
|-----------------------|----------|
| Finding Number | 2003-001 |
|-----------------------|----------|

Ohio Rev. Code Section 9.38 provided that any public official and/or employee who receives public moneys shall deposit said moneys with the Treasurer or with a properly designated depository on the next business day following the day of receipt. Furthermore, Ohio Rev. Code Section 3313.51 provides that the treasurer of the board of education shall be the treasurer of the school funds.

During our tests of extracurricular receipts, we noted that the Athletic Department collected \$11,250 for a coupon card sale in which 50% or \$5,625 was retained by the District and 50% or \$5,625 was retained by the company issuing the coupon cards. The Athletic Department turned in \$4,898 to be deposited into the local depository and withheld \$727 that was not deposited with the Treasurer or with a properly designated depository on the next business day following the day of receipt. The \$727 cash collected was given to the Athletic Boosters and was used to purchase a sound system for the football team locker room.

We recommend the District either deposit all moneys collected with the Treasurer or its local depository on the next business day following the day of receipt or adopt a policy requiring all moneys collected to be deposited with the Treasurer or properly designated depository on the next business day following the day of receipt, if the total amount of such moneys received exceeds \$1,000, or within three business days following the day of receipt, if the total amount of such moneys is less than \$1,000. Additionally, the policy must include procedures to safeguard the moneys until the time of deposit. Finally, this sort of expense was addressed by Substitute House Bill 220 (enacted in 1999) and the District should re-visit these various topics.

| | |
|-----------------------|----------|
| Finding Number | 2003-002 |
|-----------------------|----------|

Ohio Rev. Code Sections 9.10 and 9.11, authorizes the reproduction of any authorized signature by a copper plate or by a photographic, photostatic, or mechanical device, but does not authorize the use of a rubber stamp signature by any elected or appointed public official of any political subdivision on the face of any instrument. During fiscal year 2003, the District Student Activity Advisor rubber stamped the Treasurer's signature on all student activity checks which amounted to \$184,073.

We recommend the District immediately discontinue the use of a rubber stamp and that all expenditures, including student activities, should be processed by the Treasurer's Department and signed manually or in accordance with the above requirement. The District has discontinued the use of a rubber stamp as signature on all student activity checks as of the date of this report.

| | |
|-----------------------|----------|
| Finding Number | 2003-003 |
|-----------------------|----------|

The District does not have a Board policy requiring all student activity advisors to complete and submit a Final Summary Report for each fund raising event or student activity. This increases the risk that Management and the Board may not be able to detect differences between actual and planned activity.

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

**SCHEDULE OF FINDINGS (Continued)
OMB CIRCULAR A -133 §.505**

| |
|---|
| 2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
|---|

| | |
|-----------------------|----------------------|
| Finding Number | 2003-003 (Continued) |
|-----------------------|----------------------|

We recommend the District consider implementing a formalized policy requiring all student activity advisors to complete and submit a Final Summary Report for each fund raising event or student activity.

The report should include:

1. Cost, number of participants or number of items purchased, sold, etc.;
1. Amount of money originally projected and the amount of money raised;
2. Any differences between the actual activity and the planned activity;
3. Any problems that occurred and how resolved;
4. When and where funds were deposited;
5. If merchandise was involved, how many items were offered for sale, how many sold, the amount of money collected, and the disposition of any unsold items.

In addition, we recommend that the District implement monitoring procedures at the Treasurer's Office to ensure these forms are completed for each activity incurred.

| |
|--|
| 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS |
|--|

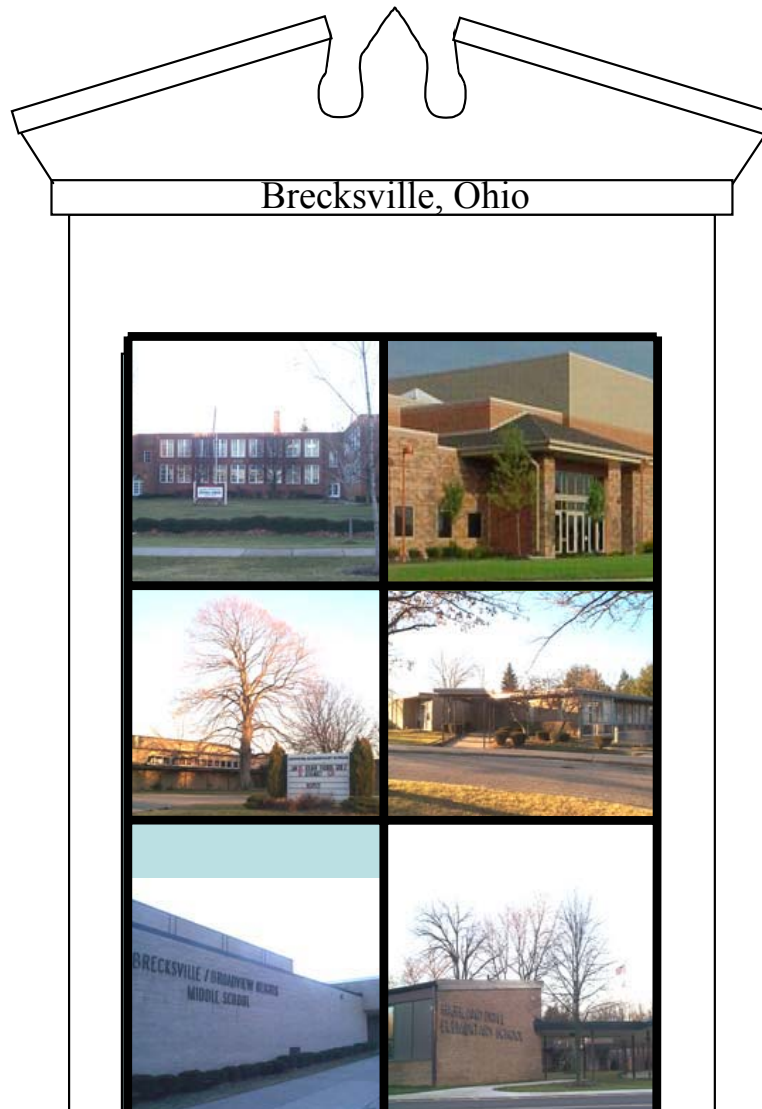
None.

**BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY
 JUNE 30, 2003**

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

| <u>Finding Number</u> | <u>Finding Summary</u> | <u>Fully Corrected ?</u> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <i>Explain:</i> |
|-----------------------|---|--------------------------|--|
| 2002-001 | The district had not included, on its Special Education Grants to States IDEA Part B inventory listing, all items acquired with federal funds, including \$39,860 in items purchased during the audit period. Furthermore, the inventory list contained many items that were no longer in possession of the District and the District did not perform a physical inventory of all items purchased with federal funds. Finally, several items were not tagged, properly identified, or maintained in the location as indicated on the listing. | No | Partially Corrected – The District is in the process of completing one cumulative inventory list for all items purchased and retained with federal funds. The District currently has 3 separate inventory lists. Reissued and reported to management in a separate letter dated November 14, 2003. |

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



**Brecksville- Broadview
Heights School District**

“where fine education is a heritage”

Brecksville-Broadview
Heights
City School District
Brecksville, Ohio

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

~~~~~

Prepared by:

Karen E. Obratil, Treasurer

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Introductory Section

Brecksville-Broadview Heights City School District

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2003

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Brecksville-Broadview Heights City School District

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

“where fine education is a heritage”

November 14, 2003

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Brecksville-Broadview Heights City School District (the “School District”) for the fiscal year ended June 30, 2003. This CAFR, which includes an opinion from the State Auditor, conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of Brecksville-Broadview Heights City School District with comprehensive financial data in a format enabling them to gain an understanding of the School District’s financial affairs. Copies will be made available to the Cuyahoga County Public Library, major taxpayers, financial rating services and other interested parties.

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

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

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

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

School District Organization

Brecksville-Broadview Heights City School District is one of 613 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District provides education to 4,565 students in preschool through twelfth. Geographically, the School District encompasses the entire City of Brecksville, all but the southwestern portion of the City of Broadview Heights and a small section of the City of North Royalton. The School District’s total area is approximately 27 square miles.

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

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

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

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

Reporting Entity

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

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

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

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

Economic Condition and Outlook

The School District is located in a residential area with limited industrial and commercial facilities. The valuation increase for the period 1993 through 2002 was an average of 5.5 percent annually including updates and reappraisals. All new construction is closely monitored. Considerable residential development has been occurring and is continuing to be planned for within the School District. Enrollment for the 1994 school year was 3,529. Enrollment for the 2003 school year was 4,565. During the past five years the School District has experienced enrollment growth averaging 3 percent. The enrollment projections indicate that the growth will continue. Student enrollment projections for the 2008 school year indicate enrollment of 5,144.

The School District, along with many other public school systems in the State, still faces some difficult economic situations in the future since the primary funding source is property tax revenue. Ohio law limits growth in real estate tax revenues by reducing millage as assessed values increase. This keeps revenues from each levy relatively constant. Although the School District has received additional revenue from the valuation growth of new construction within the School District and the full year collections from the 6.9 mill operating levy approved by the voters in February 2001, the increased expenditures from inflationary pressures and the enrollment growth have somewhat outpaced the additional revenue. The School District’s administration is closely monitoring the cost of operations and continues to look for cost savings opportunities and new funding sources in order to maintain the quality educational services that the School District has been accustomed to providing.

Public utility deregulation went into effect in January 2002 and caused a \$13,000,000 decrease in public utility property valuations resulting in a tax revenue loss in excess of \$1,000,000. In response to the deregulation legislation, legislatures enacted a “hold harmless” clause for school districts for a period of five years. The School District received \$610,682 from the State under this provision of the law.

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

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

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

Educational Program

During the 2003 school year, the School District’s curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and vocational programs. The School District offers thirteen advanced placement courses at the high school. Test scores indicate students are achieving higher than state and national averages. The School District received the highest rating on the State of Ohio District Report Card for five consecutive years and was one of only five school districts in the State achieving a perfect score for four consecutive years.

A full range of extracurricular programs and activities are available to students beginning in the elementary grades. A complete competitive athletics program is offered beginning in the 7th grade at the middle school.

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

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

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

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

More than 91 percent of the School District's high school graduates indicate they intend to continue their education at the University and College level, 76 percent at four-year colleges and 16 percent at two-year colleges. ACT and SAT College Entrance exam scores are above national averages. The School District offers approximately 190 courses at the high school level and 50 course offerings are available at the Career Center. Students have been recognized as Commended Students, Semifinalists or Finalists in the National Merit Scholarship Program for the past 44 consecutive years.

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

Financial Accomplishments

Brecksville-Broadview Heights City School District has a guardedly optimistic outlook for the future. This fiscal year, the School District received a full year of the tax collections from the 6.9 mill operating levy approved by the voters in February, 2001.

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

The School District authorized the issuance of a one-year renewable \$998,000 Energy Conservation Improvement Note at an interest rate of 1.5 percent. With the note proceeds and a transfer from the general fund, the School District paid off the \$1,270,000 Energy Conservation Improvement Note issued in 2002. The general fund transfer was made possible from the savings as a result of the energy conservation project that replaced windows, boilers and lighting throughout the School District.

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

Community

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

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

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

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

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

Financial Information

Internal Accounting and Budgetary Control In developing the School District's accounting and internal control system, the Treasurer has considered the adequacy of internal accounting controls to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. The evaluation of costs and benefits requires estimates and judgments by management. Management believes that the internal controls adequately meet the above objectives.

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

In accordance with Statute, the Board of Education adopted a temporary appropriation measure on June 24, 2002, to allow the School District to operate until its annual appropriations were adopted. The Board of Education adopted the permanent appropriation measure on September 16, 2002. The legal level of budgetary control is at the fund level. The appropriation measure may be amended or supplemented during the years as new information becomes available. Management controls the budget in their building or department level and may transfer funds within their individual budgets throughout the year. The final appropriations measure was approved by the Board of Education on June 26, 2003.

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

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

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

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

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

Financial Condition This is the third year the School District has prepared financial statements following GASB Statement 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” GASB 34 creates new basic financial statements for reporting on the School District’s financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no business-type activities.

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

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

As part of this new reporting model, management is responsible for preparing a Management’s Discussion and Analysis of the School District. This discussion appears after the Independent Accountants’ Report in the financial section of this report. Management’s Discussion and Analysis provides an assessment of the School District’s finances for fiscal year 2003. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

Financial Highlights – Internal Service Fund The only internal service fund carried on the financial records of the School District is related to self-insurance. This fund accounts for the revenues and expenses related to the provision of prescription drug benefits to School District employees. The internal service fund had net assets of \$442,855 at June 30, 2003.

Cash Management

The School District pursues an aggressive cash management program by expediting the receipt of revenues and prudently depositing and investing available cash balances. Temporarily idle cash during the year was invested in demand deposits, State Treasury Asset Reserve of Ohio (STAROhio) and repurchase agreements. The School District earned \$191,262 in governmental funds for the year ended June 30, 2003, \$186,051 being credited directly to the general fund. The School District’s deposits are either insured by federal depository insurance or collateralized in accordance with the requirement of the State of Ohio.

Risk Management

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

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

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

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2003. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Certificate of Achievement Program

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Brecksville-Broadview Heights City School District for its comprehensive annual financial report for the year ended June 30, 2002.

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

Acknowledgements

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

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

Respectfully submitted,



Karen E. Obratil
Treasurer



Steven L. Farnsworth
Superintendent

Brecksville-Broadview Heights City School District

Principal Officials

Board of Education

Mrs. Terri Neff President
Mr. D'Lane Wisner Vice President
Mr. Tom Lekan Member
Mrs. Ann Rittman Member
Mr. Mark Stratis Member

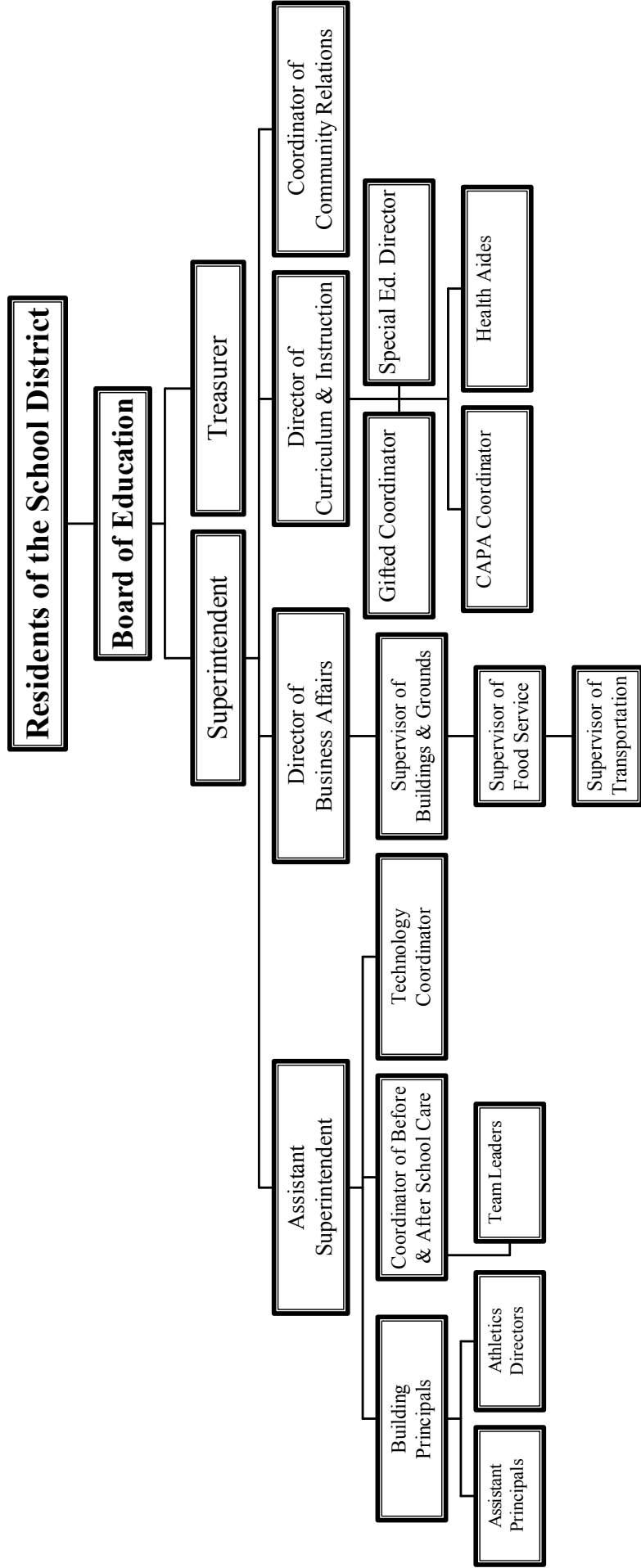
Treasurer

Mrs. Karen E. Obratil

Administration

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

Brecksville-Broadview Heights City School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Brecksville-Broadview
Heights City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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



President

Executive Director

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Financial Section

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Brecksville-Broadview Heights City School District, Cuyahoga County, Ohio, as of June 30, 2003, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

Betty Montgomery
Auditor of State

November 14, 2003

Brecksville-Broadview Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The discussion and analysis of Brecksville-Broadview Heights City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- In total, net assets of governmental activities decreased \$1,632,583 which represents a 20.6 percent decrease from 2002.
- General revenues accounted for \$37,844,382 in revenue or 89.8 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,296,593 or 10.2 percent of total revenues of \$42,140,975.
- Total assets of governmental activities increased by \$615,402 which includes an increase of \$1,485,224 in depreciable capital assets offset by a decrease in cash and cash equivalents of \$630,515.
- The School District had \$43,773,558 in expenses related to governmental activities; only \$4,296,593 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$37,844,382 were insufficient to cover the costs of these programs. The School District placed a 7.6 mill dual purpose levy on the November 4, 2003 ballot. This levy was defeated by the voters.
- Among major funds, the general fund had \$35,198,617 in revenues and \$36,927,739 in expenditures. The general fund's fund balance at June 30, 2003 is \$58,750, which decreased by \$2,151,000. This is primarily due to a decrease of \$2,710,546 in the amount of tax revenue available to advance to the School District from the County Auditor.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Brecksville-Broadview Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the bond retirement debt service fund.

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

Brecksville-Broadview Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table I provides a summary of the School District's net assets for 2003 compared to 2002.

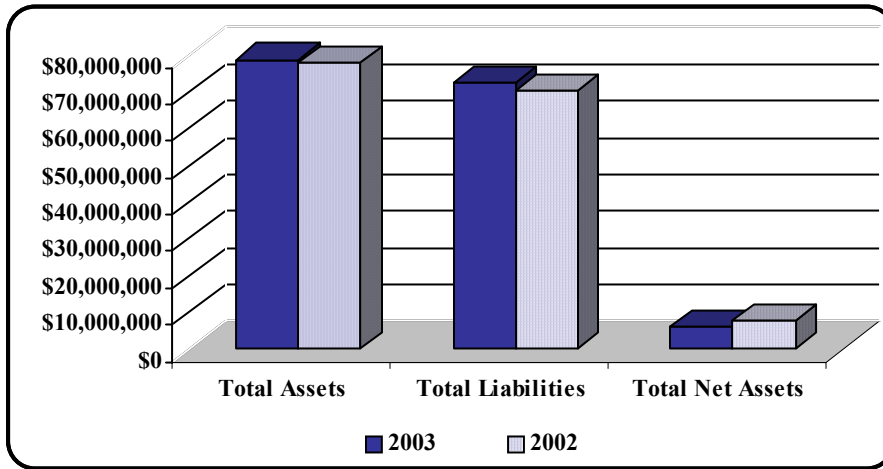
Table I
 Net Assets
 Governmental Activities

| | 2003 | 2002 |
|----------------------------|--------------|--------------|
| Assets | | |
| Current and Other Assets | \$42,197,407 | \$42,719,703 |
| Capital Assets | 36,749,314 | 35,611,616 |
| Total Assets | 78,946,721 | 78,331,319 |
| Liabilities | | |
| Current Liabilities | 37,282,656 | 34,458,766 |
| Long-Term Liabilities | | |
| Due within One Year | 1,537,103 | 1,495,497 |
| Due in More than One Year | 33,820,398 | 34,437,909 |
| Total Liabilities | 72,640,157 | 70,392,172 |
| Net Assets | | |
| Invested in Capital Assets | | |
| Net of Related Debt | 3,409,804 | 2,227,171 |
| Restricted for: | | |
| Capital Projects | 758,863 | 1,008,740 |
| Debt Service | 2,926,552 | 3,686,279 |
| Other Purposes | 474,238 | 317,494 |
| Unrestricted (Deficit) | (1,262,893) | 699,463 |
| Total Net Assets | \$6,306,564 | \$7,939,147 |

Graph 1
 Net Assets Governmental Activities

| | <u>2003</u> | <u>2002</u> |
|-------------------|--------------|--------------|
| Total Assets | \$78,946,721 | \$78,331,319 |
| Total Liabilities | 72,640,157 | 70,392,172 |
| Total Net Assets | 6,306,564 | 7,939,147 |

Brecksville-Broadview Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited



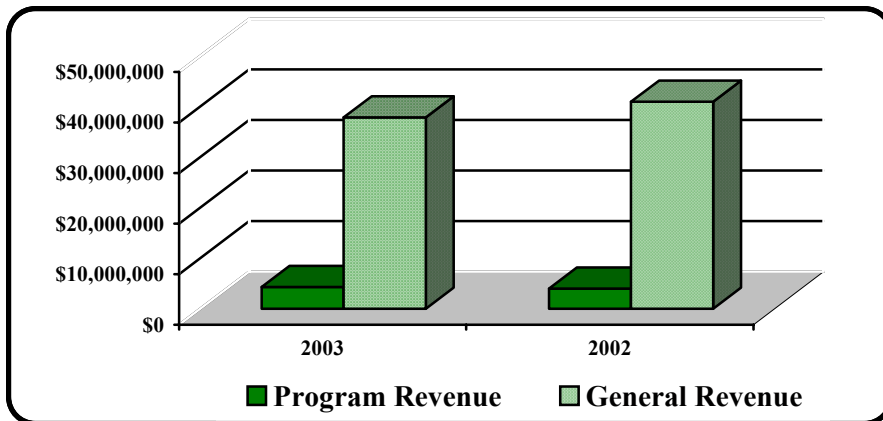
Total assets increased \$615,402. Depreciable capital assets increased \$1,485,224 due to the energy conservation project replacing boilers, windows and lighting throughout the School District which was offset by a decrease in cash and cash equivalents of \$630,515.

Liabilities for governmental activities increased by \$2,247,985. This increase resulted from an increase in deferred revenue in the amount of \$3,590,346 offset by a decrease in notes payable of \$1,072,000.

The net impact was a decrease of net assets of the School District's governmental activities in the amount of \$1,632,583. Although the balance in unrestricted net assets decreased by \$1,962,356, the School District remains financially stable with total net assets of \$6,306,564.

Graph 2
 Revenue for Governmental Activities

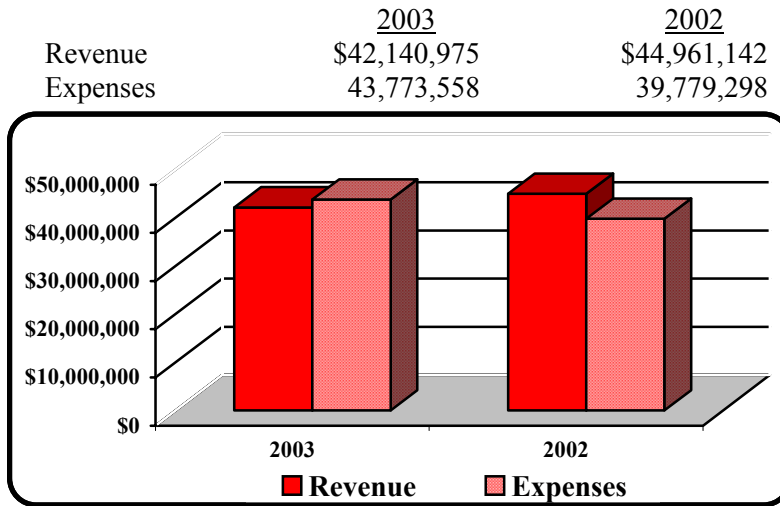
| | <u>2003</u> | <u>2002</u> |
|-----------------|-------------|-------------|
| Program Revenue | \$4,296,593 | \$4,006,373 |
| General Revenue | 37,844,382 | 40,954,769 |



Brecksville-Broadview Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

While program revenue increased for governmental activities from \$4,006,373 to \$4,296,593, the majority of the revenue supporting governmental activities is general revenue. General revenue decreased in 2003 from \$40,954,769 in 2002 to \$37,844,382 in 2003. This majority of the decrease is due to the amount of tax revenue available to advance the School District from the county auditor decreasing \$2,995,999. General revenue comprised 89.8 percent of revenue supporting Governmental Activities.

Graph 3
 Revenues and Expenses for Governmental Activities



Program expenses increased from \$39,779,298 in 2002 to \$43,773,558 in 2003, a 10 percent increase. Much of this increase was a result of increased enrollment. Enrollment increased by 125 students resulting in the need to hire additional staff. Overall, twelve certified positions were added, six for regular instruction and six for special instruction. Special instruction expenses increased 15.8 percent over fiscal year 2002, or \$521,848. Instructional staff expenses increased \$385,717 due to an increase in special education aides. The largest governmental activities program expense remains instruction, comprising 51.8 percent of expenses. When combined with pupil and instructional support these categories make up 61.5 percent of expenses.

Table 2 shows the changes in net assets for fiscal year 2003. Since this is the third year the School District has prepared financial statements following GASB Statement 34, revenue and expense analysis of government-wide data compares fiscal year 2003 to fiscal year 2002.

Brecksville-Broadview Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Table 2
Change in Net Assets
Governmental Activities

| | 2003 | 2002 |
|---|--------------------|--------------------|
| Revenues | | |
| <i>Program Revenues:</i> | | |
| Charges for Services | \$2,772,830 | \$2,800,248 |
| Operating Grants | 1,299,682 | 1,144,754 |
| Capital Grants | 224,081 | 61,371 |
| Total Program Revenues | <u>4,296,593</u> | <u>4,006,373</u> |
| <i>General Revenues:</i> | | |
| Taxes | 28,402,224 | 32,748,425 |
| Intergovernmental | 9,194,466 | 7,922,678 |
| Payment in Lieu of Taxes | 41,722 | 24,660 |
| Interest | 188,124 | 244,346 |
| Miscellaneous | 17,846 | 14,660 |
| Total General Revenues | <u>37,844,382</u> | <u>40,954,769</u> |
| Total Revenues | <u>42,140,975</u> | <u>44,961,142</u> |
| Program Expenses | | |
| <i>Instruction:</i> | | |
| Regular | 18,461,540 | 16,903,565 |
| Special | 3,822,794 | 3,300,946 |
| Vocational | 361,761 | 356,858 |
| Adult/Continuing | 28,314 | 21,927 |
| <i>Support Services:</i> | | |
| Pupil | 2,552,380 | 2,673,608 |
| Instructional Staff | 1,715,541 | 1,329,824 |
| Board of Education | 99,981 | 62,454 |
| Administration | 3,027,354 | 2,478,274 |
| Fiscal | 723,931 | 724,740 |
| Business | 271,185 | 324,061 |
| Operation and Maintenance of Plant | 4,507,956 | 3,831,495 |
| Pupil Transportation | 2,707,920 | 2,385,949 |
| Central | 203,997 | 229,345 |
| Operation of Non-Instructional Services | 432,703 | 416,929 |
| Food Service Operations | 1,325,944 | 1,282,200 |
| Child Care Operations | 476,648 | 518,821 |
| Extracurricular Activities | 1,019,536 | 881,596 |
| Interest and Fiscal Charges | 2,034,073 | 2,056,706 |
| Total Program Expenses | <u>43,773,558</u> | <u>39,779,298</u> |
| Increase (Decrease) in Net Assets | (1,632,583) | 5,181,844 |
| Net Assets Beginning of Year | <u>7,939,147</u> | <u>2,757,303</u> |
| Net Assets End of Year | <u>\$6,306,564</u> | <u>\$7,939,147</u> |

Brecksville-Broadview Heights City School District
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For the Fiscal Year Ended June 30, 2003
Unaudited

Governmental Activities

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

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 67.2 percent of revenues for governmental activities for Brecksville-Broadview Heights City School District in fiscal year 2003.

Instruction comprises 51.8 percent of governmental program expenses. Support services for pupils and instructional staff comprise 9.7 percent. Administrative expenses are 9.4 percent of the governmental program expenses.

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

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

| | 2003 | | 2002 | |
|--|--------------------------|------------------------|--------------------------|------------------------|
| | Total Cost of Service | Net Cost of Service | Total Cost of Service | Net Cost of Service |
| Instruction | \$22,674,409 | (\$21,196,046) | \$20,583,296 | (\$19,029,394) |
| Support Services | | | | |
| Pupil and Instructional Staff | 4,267,921 | (4,020,886) | 4,003,432 | (3,972,844) |
| Board of Education, Administration, Fiscal and Business | 4,122,451 | (4,063,513) | 3,589,529 | (3,536,437) |
| Operation and Maintenance of Plant | 4,507,956 | (4,439,707) | 3,831,495 | (3,781,336) |
| Pupil Transportation | 2,707,920 | (2,546,248) | 2,385,949 | (2,312,062) |
| Central | 203,997 | (200,182) | 229,345 | (225,231) |
| Operation of Non-Instructional Services | 432,703 | (38,714) | 416,929 | (79,241) |
| Food Service Operations | 1,325,944 | (170,959) | 1,282,200 | (127,638) |
| Child Care Operations | 476,648 | 14,390 | 518,821 | (59,307) |
| Extracurricular Activities | 1,019,536 | (781,027) | 881,596 | (653,969) |
| Interest and Fiscal Charges | 2,034,073 | (2,034,073) | 2,056,706 | (2,056,706) |
| Total | <u>\$43,773,558</u> | <u>(\$39,476,965)</u> | <u>\$39,779,298</u> | <u>(\$35,834,165)</u> |

Brecksville-Broadview Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
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The dependence upon tax revenues for governmental activities is apparent. Over 93.5 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities, general revenue support is 90.2 percent. The community, as a whole, is by far the primary support for Brecksville-Broadview Heights City School District students.

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$41,821,520 and expenditures of \$45,410,967. The net change in fund balance for the year was most significant in the General Fund, a decrease of \$2,151,000. This decrease occurred due to the county auditor having a significant amount of tax revenue available to advance to the School District as of June 30, 2002. Even though fiscal year 2003 showed a reduction in tax revenues available to the School District, the General Fund showed a positive total fund balance of \$58,750. The School District received voter approval for a 6.9 mill operating levy in February of 2001 and received a full year of the tax collections during 2003. This increase in tax collections was offset by a decrease in the amount available as a tax advance to the School District. Overall, the nonmajor funds decreased by \$1,227,792. The change in the capital projects funds account for 88.7 percent of this change due to the energy conservation project completion that occurred during fiscal year 2003.

General Fund Budgeting Highlights

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

During the course of fiscal year 2003, the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to control total site-based budgets but provide flexibility for site-based management.

For the general fund, the budget basis revenue was \$37,111,659, \$1,023,942 above original budget estimates of \$36,087,717. Most of this difference was due to initial conservative tax, intergovernmental and tuition estimates. Prior to June 30, 2003, the School District revised its budget basis revenue estimate to better reflect actual collections anticipated.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$36,848,844, \$1,593,885 under original budget estimates of \$38,442,729. Excess of revenues over expenditures is \$262,815.

The School District's ending unobligated cash balance was \$1,584,093 above the final budget amount. This result was primarily due to the timing of payments for retirement obligations, and an increase in excess cost/tuition, property taxes and foundation revenues.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2003 the School District had \$36,749,314 invested in land, buildings and improvements, equipment, vehicles and textbooks. Table 4 shows fiscal year 2003 balances compared to fiscal year 2002.

Brecksville-Broadview Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

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

| | 2003 | 2002 |
|----------------------------|--------------|--------------|
| Land | \$2,830,407 | \$2,815,407 |
| Buildings and Improvements | 29,304,573 | 28,506,393 |
| Furniture and Equipment | 3,081,257 | 2,779,322 |
| Vehicles | 910,713 | 693,238 |
| Textbooks | 622,364 | 454,730 |
| Construction in Progress | 0 | 362,526 |
| Total Capital Assets | \$36,749,314 | \$35,611,616 |

For fiscal year 2003, buildings and improvements increased by \$798,180 due to the School District's energy conservation projects throughout the School District. The School District purchased seven new school buses accounting for the increase in vehicles. These increases were offset by an increase in annual depreciation. The new district-wide telephone system installation was complete thus eliminating construction in progress. Ohio law required school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional materials and supplies. For fiscal year 2003, this amounted to \$603,661 for each set aside. Textbook purchases increased by \$167,634 due to the increased enrollment of 125 students. See Note 10 for capital asset information.

Debt

At June 30, 2003, the School District had \$31,836,817 in bonds outstanding and \$2,698,000 in notes outstanding. Table 5 summarizes bonds and notes outstanding:

Table 5
 Outstanding Debt at Year End
 Governmental Activities

| | 2003 | 2002 |
|------------------------------|--------------|--------------|
| General Obligation Bonds: | | |
| 1986 Stadium Complex | \$210,000 | \$280,000 |
| 1996 New High School | 31,435,000 | 32,315,000 |
| 2002 Real Estate Acquisition | 191,817 | 209,500 |
| Notes Payable: | | |
| 2001 Tax Anticipation | 1,700,000 | 2,500,000 |
| 2002 HB264 Energy Note | 998,000 | 1,270,000 |
| Total | \$34,534,817 | \$36,574,500 |

The 1986 Stadium Complex bond issue was approved in the amount of \$1,350,000 for the purpose of adding to, renovating, rehabilitating, constructing, furnishing, and equipping athletic facilities and improving their sites.

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

In 2002 the School District issued a real estate acquisition bond in the amount of \$209,500 payable over a ten - year period for the purchase of property on Old Highland Drive adjacent to Central School.

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

The School District also issued a one-year renewable energy conversation note in the amount of \$998,000. Note proceeds plus a transfer of funds from the general fund were used to pay off the \$1,270,000 energy conversation note issued in 2002 used to replace windows, boilers and lighting in order to provide energy efficiencies and savings. See Notes 14 and 18 for detailed long term and short term debt information.

Current Financial Related Activities

Brecksville-Broadview Heights City School District is strong financially. As the preceding information shows, the School District is heavily reliant on local property taxpayers. As a result of financial planning, the School District placed a 7.6 mill dual purpose levy on the November 4, 2003 ballot estimated to generate \$6.7 million. This levy represented a 5.6 mill operating levy for current expenses and a 2 mill permanent improvement levy for capital projects. This levy was defeated by the voters. The School District will ask the community for support on the March, 2004 ballot to keep pace with cost increases in order to maintain its educational programs. However, financially the future is not without challenges, one internal and one external.

The School District was successful in increasing its tax revenue base with the passage of a 6.9 mill operating levy in 2001. Since taxes are collected on a calendar year basis and school districts operate on a fiscal year basis, the School District received the full value of the tax levy this year. This increase in tax collections was offset by a decrease in the amount available as a tax advance to the School District. State law fixes the amount of this increase, forcing it to remain nearly constant. Thus management must diligently plan expenses, staying carefully within the School District's five-year forecast. Additional revenues must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the five-year forecast.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

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

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

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

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

Brecksville-Broadview Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Karen Obratil, Treasurer at Brecksville-Broadview Heights City School District, 6638 Mill Road, Brecksville, Ohio 44141 or e-mail at karen.obratil@lnoca.org.

Brecksville-Broadview Heights City School District

Statement of Net Assets

June 30, 2003

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Assets | |
| Cash and Cash Equivalents | \$8,097,280 |
| Investments | 191,817 |
| Accounts Receivable | 20,066 |
| Intergovernmental Receivable | 368,115 |
| Inventory Held for Resale | 40,620 |
| Materials and Supplies Inventory | 7,377 |
| Prepaid Items | 5,944 |
| Taxes Receivable | 33,466,188 |
| Nondepreciable Capital Assets | 2,830,407 |
| Depreciable Capital Assets, Net | <u>33,918,907</u> |
| <i>Total Assets</i> | <u>78,946,721</u> |
| Liabilities | |
| Accounts Payable | 285,138 |
| Accrued Wages | 3,513,549 |
| Intergovernmental Payable | 1,187,367 |
| Matured Compensated Absences Payable | 176,101 |
| Matured Special Termination Benefits Payable | 229,338 |
| Deferred Revenue | 29,010,426 |
| Accrued Interest Payable | 166,838 |
| Notes Payable | 2,698,000 |
| Claims Payable | 15,899 |
| Long-Term Liabilities: | |
| Due Within One Year | 1,537,103 |
| Due In More Than One Year | <u>33,820,398</u> |
| <i>Total Liabilities</i> | <u>72,640,157</u> |
| Net Assets | |
| Invested in Capital Assets, Net of Related Debt | 3,409,804 |
| Restricted for: | |
| Capital Projects | 758,863 |
| Debt Service | 2,926,552 |
| Other Purposes | 474,238 |
| Unrestricted (Deficit) | <u>(1,262,893)</u> |
| <i>Total Net Assets</i> | <u><u>\$6,306,564</u></u> |

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2003

| | Program Revenues | | | Net Revenue (Expense) and Change in Net Assets | |
|------------------------------------|---------------------|--------------------------------------|--|--|----------------------------|
| | Expenses | Charges for Services and Sales | Operating Grants, Contributions and Interest | Capital Grants and Contributions | Governmental Activities |
| Governmental Activities | | | | | |
| Instruction: | | | | | |
| Regular | \$18,461,540 | \$685,361 | \$194,378 | \$62,409 | (\$17,519,392) |
| Special | 3,822,794 | 273,870 | 247,805 | 0 | (3,301,119) |
| Vocational | 361,761 | 0 | 0 | 0 | (361,761) |
| Adult/Continuing | 28,314 | 0 | 14,540 | 0 | (13,774) |
| Support Services: | | | | | |
| Pupil | 2,552,380 | 0 | 87,496 | 0 | (2,464,884) |
| Instructional Staff | 1,715,541 | 0 | 159,539 | 0 | (1,556,002) |
| Board of Education | 99,981 | 0 | 0 | 0 | (99,981) |
| Administration | 3,027,354 | 0 | 16,657 | 0 | (3,010,697) |
| Fiscal | 723,931 | 11,087 | 0 | 0 | (712,844) |
| Business | 271,185 | 31,194 | 0 | 0 | (239,991) |
| Operation and Maintenance of Plant | 4,507,956 | 47,249 | 21,000 | 0 | (4,439,707) |
| Pupil Transportation | 2,707,920 | 0 | 0 | 161,672 | (2,546,248) |
| Central | 203,997 | 0 | 3,815 | 0 | (200,182) |
| Operation of Non-Instructional | | | | | |
| Services | 432,703 | 3,549 | 390,440 | 0 | (38,714) |
| Food Service Operations | 1,325,944 | 1,012,054 | 142,931 | 0 | (170,959) |
| Child Care Operations | 476,648 | 472,007 | 19,031 | 0 | 14,390 |
| Extracurricular Activities | 1,019,536 | 236,459 | 2,050 | 0 | (781,027) |
| Interest and Fiscal Charges | 2,034,073 | 0 | 0 | 0 | (2,034,073) |
| Totals | \$43,773,558 | \$2,772,830 | \$1,299,682 | \$224,081 | (39,476,965) |

General Revenues

Property Taxes Levied for:

| | |
|---|------------|
| General Purposes | 25,491,761 |
| Debt Service | 2,322,468 |
| Capital Outlay | 587,995 |
| Grants and Entitlements not Restricted to Specific Programs | 9,194,466 |
| Payment in Lieu of Taxes | 41,722 |
| Interest | 188,124 |
| Miscellaneous | 17,846 |

Total General Revenues 37,844,382

Change in Net Assets (1,632,583)

Net Assets Beginning of Year - Restated (See Note 3) 7,939,147

Net Assets End of Year \$6,306,564

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Balance Sheet

Governmental Funds

June 30, 2003

| | General | Bond Retirement Debt Service | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Equity in Pooled Cash and | | | | |
| Cash Equivalents | \$3,733,523 | \$2,492,248 | \$1,412,605 | \$7,638,376 |
| Investments | 0 | 191,817 | 0 | 191,817 |
| Taxes Receivable | 29,959,134 | 2,812,155 | 694,899 | 33,466,188 |
| Accounts Receivable | 15,463 | 0 | 4,603 | 20,066 |
| Intergovernmental Receivable | 334,236 | 0 | 33,879 | 368,115 |
| Interfund Receivable | 38,399 | 0 | 0 | 38,399 |
| Inventory Held for Resale | 0 | 0 | 40,620 | 40,620 |
| Materials and Supplies Inventory | 0 | 0 | 7,377 | 7,377 |
| Prepaid Items | 5,944 | 0 | 0 | 5,944 |
| <i>Total Assets</i> | <u>\$34,086,699</u> | <u>\$5,496,220</u> | <u>\$2,193,983</u> | <u>\$41,776,902</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$238,168 | \$0 | \$46,820 | \$284,988 |
| Accrued Wages and Benefits | 3,438,230 | 0 | 75,319 | 3,513,549 |
| Matured Compensated Absences Payable | 172,942 | 0 | 3,159 | 176,101 |
| Interfund Payable | 0 | 0 | 38,399 | 38,399 |
| Matured Special Termination Benefits Payable | 221,367 | 0 | 7,971 | 229,338 |
| Intergovernmental Payable | 709,677 | 0 | 36,747 | 746,424 |
| Deferred Revenue | 27,541,631 | 2,536,755 | 628,290 | 30,706,676 |
| Accrued Interest Payable | 5,934 | 0 | 1,230 | 7,164 |
| Notes Payable | 1,700,000 | 0 | 998,000 | 2,698,000 |
| <i>Total Liabilities</i> | <u>34,027,949</u> | <u>2,536,755</u> | <u>1,835,935</u> | <u>38,400,639</u> |
| Fund Balances | | | | |
| Reserved for Encumbrances | 409,381 | 0 | 415,733 | 825,114 |
| Reserved for Property Taxes | 2,258,709 | 238,397 | 59,050 | 2,556,156 |
| Unreserved, Undesignated (Deficit), Reported in: | | | | |
| General Fund | (2,609,340) | 0 | 0 | (2,609,340) |
| Special Revenue Funds | 0 | 0 | 328,667 | 328,667 |
| Debt Service Funds | 0 | 2,721,068 | 0 | 2,721,068 |
| Capital Projects Funds | 0 | 0 | (445,402) | (445,402) |
| <i>Total Fund Balances</i> | <u>58,750</u> | <u>2,959,465</u> | <u>358,048</u> | <u>3,376,263</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$34,086,699</u> | <u>\$5,496,220</u> | <u>\$2,193,983</u> | <u>\$41,776,902</u> |

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Reconciliation of Total Governmental Fund Balances to

Net Assets of Governmental Activities

June 30, 2003

| | |
|---|--------------------|
| Total Governmental Fund Balances | \$3,376,263 |
|---|--------------------|

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

| | |
|--|------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | 36,749,314 |
|--|------------|

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

| | |
|------------------|------------|
| Property Taxes | 1,359,170 |
| Tuition and Fees | 333,852 |
| Rentals | 2,631 |
| Miscellaneous | <u>597</u> |

| | |
|-------|-----------|
| Total | 1,696,250 |
|-------|-----------|

| | |
|--|---------|
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | 442,855 |
|--|---------|

| | |
|---|-----------|
| Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds. | (440,943) |
|---|-----------|

| | |
|--|-----------|
| In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in intergovernmental funds, an interest expenditure is reported when due. | (159,674) |
|--|-----------|

Long-term liabilities, including bonds payable and capital leases payable, are not due and payable in the current period and therefore are not reported in the funds:

| | |
|--------------------------|------------------|
| General Obligation Bonds | (31,836,817) |
| Compensated Absences | (3,015,991) |
| Capital Leases Payable | <u>(504,693)</u> |

| | |
|-------|---------------------|
| Total | <u>(35,357,501)</u> |
|-------|---------------------|

| | |
|--|---------------------------|
| <i>Net Assets of Governmental Activities</i> | <u><u>\$6,306,564</u></u> |
|--|---------------------------|

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2003

| | General | Bond Retirement Debt Service | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|---------------------------------|--------------------------------|--------------------------------|
| Revenues | | | | |
| Taxes | \$25,240,312 | \$2,295,808 | \$581,427 | \$28,117,547 |
| Intergovernmental | 8,973,825 | 336,149 | 1,228,138 | 10,538,112 |
| Interest | 186,051 | 0 | 5,211 | 191,262 |
| Tuition and Fees | 384,883 | 0 | 472,007 | 856,890 |
| Extracurricular Activities | 42,690 | 0 | 227,984 | 270,674 |
| Payment in Lieu of Taxes | 41,722 | 0 | 0 | 41,722 |
| Rentals | 44,618 | 0 | 0 | 44,618 |
| Charges for Services | 271,772 | 0 | 1,294,695 | 1,566,467 |
| Contributions and Donations | 5,479 | 0 | 171,500 | 176,979 |
| Miscellaneous | 7,265 | 0 | 9,984 | 17,249 |
| <i>Total Revenues</i> | <u>35,198,617</u> | <u>2,631,957</u> | <u>3,990,946</u> | <u>41,821,520</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 17,069,710 | 0 | 450,177 | 17,519,887 |
| Special | 3,468,249 | 0 | 262,628 | 3,730,877 |
| Vocational | 354,190 | 0 | 28,314 | 382,504 |
| Support Services: | | | | |
| Pupil | 2,388,579 | 0 | 99,117 | 2,487,696 |
| Instructional Staff | 1,436,797 | 0 | 188,398 | 1,625,195 |
| Board of Education | 99,808 | 0 | 31,133 | 130,941 |
| Administration | 2,848,834 | 0 | 0 | 2,848,834 |
| Fiscal | 704,571 | 0 | 0 | 704,571 |
| Business | 428,160 | 0 | 0 | 428,160 |
| Operation and Maintenance of Plant | 4,190,621 | 0 | 21,000 | 4,211,621 |
| Pupil Transportation | 2,836,079 | 0 | 0 | 2,836,079 |
| Central | 193,265 | 0 | 4,114 | 197,379 |
| Operation of Non-Instructional Services | 0 | 0 | 428,679 | 428,679 |
| Food Service Operations | 0 | 0 | 1,242,088 | 1,242,088 |
| Child Care Operations | 0 | 0 | 487,164 | 487,164 |
| Extracurricular Activities | 697,063 | 0 | 281,174 | 978,237 |
| Capital Outlay | 0 | 0 | 2,089,834 | 2,089,834 |
| Debt Service: | | | | |
| Principal Retirement | 92,935 | 950,000 | 0 | 1,042,935 |
| Interest and Fiscal Charges | 118,878 | 1,892,612 | 26,796 | 2,038,286 |
| <i>Total Expenditures</i> | <u>36,927,739</u> | <u>2,842,612</u> | <u>5,640,616</u> | <u>45,410,967</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(1,729,122)</u> | <u>(210,655)</u> | <u>(1,649,670)</u> | <u>(3,589,447)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 0 | 0 | 421,878 | 421,878 |
| Transfers Out | (421,878) | 0 | 0 | (421,878) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(421,878)</u> | <u>0</u> | <u>421,878</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | (2,151,000) | (210,655) | (1,227,792) | (3,589,447) |
| <i>Fund Balances Beginning of Year - Restated (Note 3)</i> | <u>2,209,750</u> | <u>3,170,120</u> | <u>1,585,840</u> | <u>6,965,710</u> |
| <i>Fund Balances End of Year</i> | <u>\$58,750</u> | <u>\$2,959,465</u> | <u>\$358,048</u> | <u>\$3,376,263</u> |

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2003*

Net Change in Fund Balances - Total Governmental Funds (\$3,589,447)

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

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

| | |
|----------------|--------------------|
| Capital Outlay | 2,783,162 |
| Depreciation | <u>(1,644,276)</u> |

Total 1,138,886

Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (1,188)

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

| | |
|------------------|------------|
| Property Taxes | 284,677 |
| Tuition and Fees | 31,550 |
| Rentals | 2,631 |
| Miscellaneous | <u>597</u> |

Total 319,455

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,042,935

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 4,213

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

| | |
|----------------------|-----------------|
| Compensated Absences | (467,030) |
| Pension Obligation | <u>(41,368)</u> |

Total (508,398)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (39,039)

Change in Net Assets of Governmental Activities (\$1,632,583)

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003*

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|-------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Taxes | \$27,244,530 | \$26,270,733 | \$27,153,277 | \$882,544 |
| Intergovernmental | 7,890,129 | 8,973,825 | 8,973,825 | 0 |
| Interest | 185,000 | 180,000 | 185,001 | 5,001 |
| Tuition and Fees | 335,000 | 390,000 | 385,902 | (4,098) |
| Extracurricular Activities | 40,000 | 43,000 | 42,690 | (310) |
| Payment in Lieu of Taxes | 20,000 | 41,726 | 41,722 | (4) |
| Rentals | 50,000 | 43,500 | 43,300 | (200) |
| Charges for Services | 297,673 | 277,760 | 276,834 | (926) |
| Contributions and Donations | 11,250 | 9,250 | 5,479 | (3,771) |
| Miscellaneous | 14,135 | 2,457 | 3,629 | 1,172 |
| <i>Total Revenues</i> | <u>36,087,717</u> | <u>36,232,251</u> | <u>37,111,659</u> | <u>879,408</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 16,838,617 | 17,162,807 | 17,027,798 | 135,009 |
| Special | 4,026,742 | 3,760,228 | 3,614,928 | 145,300 |
| Vocational | 289,463 | 348,161 | 343,661 | 4,500 |
| Support Services: | | | | |
| Pupil | 2,618,330 | 2,411,444 | 2,403,936 | 7,508 |
| Instructional Staff | 1,971,615 | 1,518,658 | 1,450,660 | 67,998 |
| Board of Education | 73,652 | 94,027 | 91,839 | 2,188 |
| Administration | 2,791,228 | 2,794,002 | 2,738,479 | 55,523 |
| Fiscal | 898,919 | 770,038 | 738,912 | 31,126 |
| Business | 441,607 | 431,681 | 421,030 | 10,651 |
| Operation and Maintenance of Plant | 4,649,436 | 4,346,411 | 4,208,104 | 138,307 |
| Pupil Transportation | 2,886,813 | 2,936,526 | 2,892,054 | 44,472 |
| Central | 256,040 | 248,415 | 195,473 | 52,942 |
| Extracurricular Activities | 675,267 | 687,503 | 685,372 | 2,131 |
| Capital Outlay | 25,000 | 12,778 | 11,700 | 1,078 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 17,683 | 17,683 | 0 |
| Interest and Fiscal Charges | 0 | 7,215 | 7,215 | 0 |
| <i>Total Expenditures</i> | <u>38,442,729</u> | <u>37,547,577</u> | <u>36,848,844</u> | <u>698,733</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(\$2,355,012)</u> | <u>(\$1,315,326)</u> | <u>\$262,815</u> | <u>\$1,578,141</u> |

(continued)

Brecksville-Broadview Heights City School District

*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Other Financing Sources (Uses) | | | | |
| Advances In | \$264,000 | \$264,000 | \$260,000 | (\$4,000) |
| Advances Out | (304,000) | (299,000) | (295,000) | 4,000 |
| Transfers Out | (100,000) | (427,830) | (421,878) | 5,952 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(140,000)</u> | <u>(462,830)</u> | <u>(456,878)</u> | <u>5,952</u> |
| <i>Net Change in Fund Balance</i> | (2,495,012) | (1,778,156) | (194,063) | 1,584,093 |
| <i>Fund Balance Beginning of Year</i> | 2,730,520 | 2,730,520 | 2,730,520 | 0 |
| Prior Year Encumbrances Appropriated | <u>614,174</u> | <u>614,174</u> | <u>614,174</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$849,682</u> | <u>\$1,566,538</u> | <u>\$3,150,631</u> | <u>\$1,584,093</u> |

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Fund Net Assets

Internal Service Fund

June 30, 2003

| | <u>Insurance</u> |
|--|-------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$458,904</u> |
| Liabilities | |
| Accounts Payable | 150 |
| Claims Payable | <u>15,899</u> |
| <i>Total Liabilities</i> | <u>16,049</u> |
| Net Assets | |
| Unrestricted | <u><u>\$442,855</u></u> |

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Revenues,

Expenses and Changes in Fund Net Assets

Internal Service Fund

For the Fiscal Year Ended June 30, 2003

| | <u>Insurance</u> |
|-------------------------------------|-------------------------|
| Operating Revenues | |
| Charges for Services | <u>\$551,115</u> |
| Operating Expenses | |
| Purchased Services | 28,744 |
| Claims | <u>561,410</u> |
| <i>Total Operating Expenses</i> | <u>590,154</u> |
| <i>Change in Net Assets</i> | (39,039) |
| <i>Net Assets Beginning of Year</i> | <u>481,894</u> |
| <i>Net Assets End of Year</i> | <u><u>\$442,855</u></u> |

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Cash Flows

Internal Service Fund

For the Fiscal Year Ended June 30, 2003

| | <u>Insurance</u> |
|---|--------------------------|
| Increase (Decrease) in Cash and Cash Equivalents | |
| Cash Flows from Operating Activities | |
| Cash Received from Interfund Services | \$551,115 |
| Cash Payments for Goods and Services | (28,834) |
| Cash Payments for Claims | <u>(562,935)</u> |
| <i>Net Decrease in Cash and Cash Equivalents</i> | (40,654) |
| <i>Cash and Cash Equivalents Beginning of Year</i> | <u>499,558</u> |
| <i>Cash and Cash Equivalents End of Year</i> | <u><u>\$458,904</u></u> |
| Reconciliation of Operating Loss to Net Cash Used for Operating Activities | |
| Operating Loss | (\$39,039) |
| Adjustments: | |
| Decrease in Liabilities: | |
| Accounts Payable | (90) |
| Claims Payable | <u>(1,525)</u> |
| <i>Net Cash Used for Operating Activities</i> | <u><u>(\$40,654)</u></u> |

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2003

| | |
|--|-------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | <u><u>\$110,833</u></u> |
| Liabilities | |
| Due to Students | <u><u>\$110,833</u></u> |

See accompanying notes to the basic financial statements

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

Note 1 - Description of The School District

Brecksville-Broadview Heights City School District (the "School District") operates under a locally-elected Board form of government and provides educational services as authorized by state and federal agencies. This Board controls the School District's 8 instructional/support facilities staffed by 264 non-certificated employees, 298 certificated full time teaching personnel and 22 administrative employees to provide services to 4,565 students and other community members.

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

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

Reporting Entity

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

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

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District has no component units.

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

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

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

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

The School District participates in three jointly governed organizations, an insurance purchasing pool and a risk sharing pool. These organizations are the Lakeshore Northeast Ohio Computer Association, Cuyahoga Valley Career Center, Ohio Schools' Council, the Ohio School Boards Association Workers' Compensation Group Rating Plan and the Suburban Health Consortium. These organizations are presented in Notes 19 and 20 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

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

B. Fund Accounting

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

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

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

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

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

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

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund is a self insurance fund that accounts for prescription drug claims of School District employees.

Fiduciary Fund Types Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

C. Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants and entitlements. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Data

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

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

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

F. Cash and Cash Equivalents

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

During fiscal year 2003, investments were limited to federal home loan mortgage corporation notes, federal home loan bank bonds, repurchase agreements, manuscript bonds, STAROhio, victory money market mutual fund and nonnegotiable certificates of deposit.

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$186,051, which includes \$100,508 assigned from other School District funds.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which the services are consumed.

H. Inventory

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

I. Capital Assets

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

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

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

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

J. Interfund Balances

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

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

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

M. Net Assets

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

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

N. Fund Balance Reserves

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

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definition of operating are reported as non-operating.

P. Interfund Activity

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

Q. Extraordinary and Special Items

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

Brecksville-Broadview Heights City School District

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For the Fiscal Year Ended June 30, 2003*

R. Estimates

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

Note 3 – Changes in Accounting Principles and Restatement of Fund Balance/Net Assets

A. Changes in Accounting Principles

For fiscal year 2003, the School District has implemented GASB Statement No. 41, “Budgetary Comparison Schedules – Perspective Differences”. GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund organization or program structure that the School District uses for its legally adopted budget when significant budgetary perspective differences result in the School District not being able to present budgetary comparisons for the general and each major revenue fund.

B. Restatement of Fund Balance/Net Assets

The scholarship private purpose trust fund was reclassified to a special revenue fund. This restatement increased other governmental funds’ fund balance at June 30, 2002 \$67,746 from \$1,518,094 to \$1,585,840. This restatement increased the net change in fund balances \$9,883 from \$105,188 to \$115,071.

It was determined that the scholarship private purpose trust fund was reclassified to a special revenue fund and capital assets were understated at June 30, 2002. This restatement increased net assets \$92,416 from \$7,846,731 to \$7,939,147 and increased the change in net assets \$9,883 from \$5,147,291 to \$5,157,174.

Note 4 – Accountability and Compliance

A. Accountability

The following funds had deficit fund balances as of June 30, 2003.

| | |
|-------------------------------------|----------|
| <i>Special Revenue Funds</i> | |
| Child Care | \$26,899 |
| Title I | 105 |
| Pre-School | 665 |
| | |
| <i>Capital Projects Fund</i> | |
| Building | 832,955 |

The special revenue funds’ deficit balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required, not when accruals occur.

The capital projects fund deficit is a result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued. Once bonds are issued and the liability is reported in the fund, the deficits will be eliminated.

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B. Compliance

The School District was in violation of Ohio Revised Code Section 5705.41(D) in the Title VI-B special revenue fund due to monies being encumbered prior to having sufficient funds in the fund to cover the encumbrances.

Note 5 - Budgetary Basis of Accounting

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

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

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

| Net Change in Fund Balance | |
|---|---------------------------|
| GAAP Basis | (\$2,151,000) |
| Net Adjustment for Revenue Accruals | 2,799,997 |
| Advance In | 260,000 |
| Beginning Fair Value Adjustment for Investments | 4,336 |
| Ending Fair Value Adjustment for Investments | (4,085) |
| Revenue moved for Debt | (887,206) |
| Net Adjustment for Expenditure Accruals | (229,504) |
| Advance Out | (295,000) |
| Principal Retirement | 800,000 |
| Interest and Fiscal Charges | 87,206 |
| Adjustment for Encumbrances | (578,807) |
| Budget Basis | <u><u>(\$194,063)</u></u> |

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
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Note 6 - Deposits and Investments

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

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

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

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are

Brecksville-Broadview Heights City School District

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also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Undeposited Cash At year-end, the School District had \$150 in undeposited cash on hand which is included as part of “equity in pooled cash and cash equivalents.”

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

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$87,658 and the bank balance was \$200,050. Of the bank balance:

1. \$100,000 of the bank balance was covered by depository insurance; and
2. \$100,050 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution’s name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

| | Category | | Carrying | Fair |
|----------------------------------|------------------|--------------------|--------------------|--------------------|
| | <u>1</u> | <u>3</u> | Value | Value |
| Manuscript Bonds | <u>\$191,817</u> | | \$191,817 | \$191,817 |
| Repurchase Agreement | | \$4,611,670 | 4,611,670 | 4,611,670 |
| Federal Home Loan | | | | |
| Mortgage Corporation Notes | | 497,085 | 497,085 | 497,085 |
| Federal Home Loan Bank Bonds | | <u>500,203</u> | 500,203 | 500,203 |
| Victory Money Market Mutual Fund | | | 1,060,831 | 1,060,831 |
| STAROhio | | | <u>1,450,516</u> | <u>1,450,516</u> |
| Total | | <u>\$5,608,958</u> | <u>\$8,312,122</u> | <u>\$8,312,122</u> |

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

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

| | Cash and Cash Equivalents | Investments |
|---|------------------------------|--------------------|
| GASB Statement No. 9 | \$8,208,113 | \$191,817 |
| Cash on Hand | (150) | 0 |
| Investments which are part of a Cash Management Pool | | |
| Repurchase Agreement | (4,611,670) | 4,611,670 |
| Federal Home Loan | | |
| Mortgage Corporation Notes | (497,085) | 497,085 |
| Federal Home Loan Bank Bonds | (500,203) | 500,203 |
| Victory Money Market Mutual Fund | (1,060,831) | 1,060,831 |
| STAROhio | (1,450,516) | 1,450,516 |
| GASB Statement No. 3 | <u>\$87,658</u> | <u>\$8,312,122</u> |

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 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, 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 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 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 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay

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annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 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, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2003, was \$2,258,709 in the general fund, \$238,397 in the bond retirement debt service fund and \$59,050 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2002, was \$4,969,255 in the general fund, \$523,850 in the bond retirement debt service fund and \$129,939 in the permanent improvement capital projects fund.

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

The assessed values upon which the fiscal year 2003 taxes were collected are:

| | 2002 Second Half Collections | | 2003 First Half Collections | |
|---|---------------------------------|----------------|--------------------------------|----------------|
| | Amount | Percent | Amount | Percent |
| Agricultural/Residential and Other Real Estate | \$793,711,110 | 90.95% | \$812,810,500 | 91.22% |
| Public Utility | 29,120,890 | 3.34 | 28,750,440 | 3.23 |
| Tangible Personal Property | 49,828,303 | 5.71 | 49,439,385 | 5.55 |
| | <u>\$872,660,303</u> | <u>100.00%</u> | <u>\$891,000,325</u> | <u>100.00%</u> |
| Tax rate per \$1,000 of assessed valuation | \$71.50 | | \$71.50 | |

Note 8 - Receivables

Receivables at June 30, 2003, consisted of taxes, accounts (rent and student fees), 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 and all receivables will be collected within one year.

Brecksville-Broadview Heights City School District

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A summary of the principal items of intergovernmental receivables follows:

| <u>Governmental Activities</u> | <u>Amounts</u> |
|--|-------------------------|
| Tuition | \$334,236 |
| Food Service | 30,762 |
| Title V | 3,117 |
| <i>Total Intergovernmental Receivables</i> | <u><u>\$368,115</u></u> |

Note 9 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2003, the School District participated in the Ohio Schools' Council's insurance program through Indiana Insurance Company for buildings and contents, inland marine and crime and Travelers Insurance for boiler coverage, fleet insurance as well as liability insurance program.

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

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

Brecksville-Broadview Heights City School District

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B. Workers' Compensation

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

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

C. Self-Insurance

The District provides prescription drug benefits for its employees and their covered dependents through its self-insurance fund. The prescription drug plan utilizes a \$5 deductible per prescription for generic drugs and a \$9 deductible per prescription for brand name drugs. Caremark administers the plan and reviews all claims paid by the School District. The monthly prescription drug premium for single is \$59.71 and \$131.06 for family.

The claims liability of \$15,899 reported in the internal service fund at June 30, 2003 is based on the requirements of GASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the Employee Benefits Internal Service Fund's claim liability amount in fiscal 2002 and 2003 were as follows:

| | Balance Beginning of Year | Current Year Claims | Claim Payments | Balance End of Year |
|------|---------------------------------|---------------------------|-------------------|---------------------------|
| 2002 | \$179,202 | \$1,297,665 | \$1,459,443 | \$17,424 |
| 2003 | 17,424 | 561,410 | 562,935 | 15,899 |

D. Employee Health Benefits

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

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

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

| | Balance 6/30/02 | Additions | Deletions | Balance 6/30/03 |
|---|---------------------|---------------------|------------------|---------------------|
| Governmental Activities | | | | |
| <i>Capital Assets, not being depreciated</i> | | | | |
| Land | \$2,815,407 | \$15,000 | \$0 | \$2,830,407 |
| Construction in Progress | 362,526 | 244,203 | (606,729) | 0 |
| <i>Total Capital Assets, not being depreciated</i> | <u>3,177,933</u> | <u>259,203</u> | <u>(606,729)</u> | <u>2,830,407</u> |
| <i>Capital Assets, being depreciated</i> | | | | |
| Buildings and Improvements | 40,453,949 | 1,771,557 | 0 | 42,225,506 |
| Furniture and Equipment | 6,868,210 | 777,520 | (12,669) | 7,633,061 |
| Vehicles | 2,214,659 | 323,084 | 0 | 2,537,743 |
| Textbooks | 727,145 | 258,527 | 0 | 985,672 |
| <i>Total Capital Assets, being depreciated</i> | <u>50,263,963</u> | <u>3,130,688</u> | <u>(12,669)</u> | <u>53,381,982</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | (11,947,556) | (973,377) | 0 | (12,920,933) |
| Furniture and Equipment | (4,088,888) | (474,397) | 11,481 | (4,551,804) |
| Vehicles | (1,521,421) | (105,609) | 0 | (1,627,030) |
| Textbooks | (272,415) | (90,893) | 0 | (363,308) |
| <i>Total Accumulated Depreciation</i> | <u>(17,830,280)</u> | <u>(1,644,276)*</u> | <u>11,481</u> | <u>(19,463,075)</u> |
| <i>Total Capital Assets, being depreciated, Net</i> | <u>32,433,683</u> | <u>1,486,412</u> | <u>1,188</u> | <u>33,918,907</u> |
| <i>Governmental Activities Assets, Net</i> | <u>\$35,611,616</u> | <u>\$1,745,615</u> | <u>\$607,917</u> | <u>\$36,749,314</u> |

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* Depreciation expense was charged to governmental functions as follows:

| | |
|---|--------------------|
| Instruction: | |
| Regular | \$969,680 |
| Special | 44,711 |
| Vocational | 15,007 |
| Support Services: | |
| Pupil | 72,640 |
| Instructional Staff | 51,671 |
| Administration | 76,934 |
| Fiscal | 13,008 |
| Business | 28,841 |
| Operation and Maintenance of Plant | 178,786 |
| Pupil Transportation | 100,691 |
| Central | 3,483 |
| Operation of Non-Instructional Services | 3,715 |
| Food Service Operations | 62,465 |
| Extracurricular Activities | 22,644 |
| Total Depreciation Expense | <u>\$1,644,276</u> |

Note 11 - Other Employee Benefits

A. Compensated Absences

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

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

B. Insurance Benefits

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

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C. Retirement Incentive

The School District Board of Education offered employees participation in a Retirement Incentive program through July 31, 2003. Participation was open to teachers who were eligible for service retirement under the State Teachers Retirement System (STRS) pursuant to O.R.C. 3307.38 and any applicable STRS regulations. Each teacher who qualifies for and takes retirement receives a retirement incentive of 20 percent of the teacher's salary at the time of retirement, excluding supplementals. Alternatively, the teacher may elect a lump sum payment equal to 25 percent of the teacher's accrued sick leave after subtracting days used in calculating severance pay, multiplied by the final highest per diem rate, excluding supplementals. One-half of this retirement incentive is paid within 12 months of the retirement date and the balance is paid 24 months from the retirement date.

Note 12 - Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required to contribute 9 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 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$547,264, \$334,816 and \$240,294 respectively; 47.21 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

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.

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*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

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, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$2,372,479, \$1,568,801, and \$1,525,517 respectively; 85.31 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$17,119 made by the School District and \$29,763 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2003, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

Note 13 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, 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 \$182,498 for fiscal year 2003.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. 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 2003, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits during the 2003 fiscal year equaled \$511,751.

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, 2002 (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

Note 14 - Long-Term Obligations

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

| | Principal Outstanding 6/30/02 | Additions | Reductions | Principal Outstanding 6/30/03 | Amounts Due in One Year |
|--|-------------------------------------|------------------|----------------------|-------------------------------------|-------------------------------|
| Governmental Activities | | | | | |
| General Obligation Bonds: | | | | | |
| 8.12% 1986 Stadium Complex | \$280,000 | \$0 | (\$70,000) | \$210,000 | \$70,000 |
| 5.60% 1996 New High School | <u>32,315,000</u> | <u>0</u> | <u>(880,000)</u> | <u>31,435,000</u> | <u>920,000</u> |
| Total General Obligation Bonds | 32,595,000 | 0 | (950,000) | 31,645,000 | 990,000 |
| 3.5% 2002 Real Estate | | | | | |
| Manuscript Bonds | 209,500 | 0 | (17,683) | 191,817 | 18,500 |
| Compensated Absences | 2,548,961 | 919,593 | (452,563) | 3,015,991 | 449,525 |
| Capital Lease | <u>579,945</u> | <u>0</u> | <u>(75,252)</u> | <u>504,693</u> | <u>79,078</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$35,933,406</u> | <u>\$919,593</u> | <u>(\$1,495,498)</u> | <u>\$35,357,501</u> | <u>\$1,537,103</u> |

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

In March 1996, Brecksville-Broadview Heights City School District passed a 3.97 mill bond issue, providing \$36,000,000 for the construction, furnishing and equipping a new high school and renovating, improving, furnishing and equipping school facilities and their sites. These bonds are paid from the bond retirement fund and will mature in December 2021.

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

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

The School District's overall debt margin was \$51,312,677 with an unvoted debt margin of \$891,000 at June 30, 2003. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2003 are as follows:

| | <u>General Obligation Bonds</u> | | <u>Manuscript Bonds</u> | | <u>Total</u> |
|---------------------------------|---------------------------------|---------------------|-------------------------|-----------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2004 | \$990,000 | \$1,844,164 | \$18,500 | \$6,714 | \$2,859,378 |
| 2005 | 1,035,000 | 1,792,513 | 19,148 | 6,066 | 2,852,727 |
| 2006 | 1,085,000 | 1,726,909 | 19,818 | 5,396 | 2,837,123 |
| 2007 | 1,085,000 | 1,648,701 | 20,511 | 4,702 | 2,758,914 |
| 2008-2012 | 6,605,000 | 7,056,556 | 113,840 | 12,227 | 13,787,623 |
| 2013-2017 | 8,920,000 | 4,652,938 | 0 | 0 | 13,572,938 |
| 2018-2022 | <u>11,925,000</u> | <u>1,629,469</u> | <u>0</u> | <u>0</u> | <u>13,554,469</u> |
| Total Principal and Interest | <u>\$31,645,000</u> | <u>\$20,351,250</u> | <u>\$191,817</u> | <u>\$35,105</u> | <u>\$52,223,172</u> |

Note 15 – Interfund Transfers

A transfer of \$100,000 was made from the general fund into the food service special revenue fund to provide for the payment of expenditures and maintain the food service operations for the students. A transfer of \$25,000 was made from the general fund into the other grants special revenue fund for support of various grants. A transfer of \$296,878 was made from the general fund into the building capital projects fund to pay down the energy conversation note issued in fiscal year 2002.

Note 16 – Interfund Balances

On the fund financial statements the general fund reported an interfund receivable at June 30, 2003 of \$36,141. The child care fund had an interfund payable of \$36,141. An advance was necessary to pay for child care expenses until tuition payments are received.

On the fund financial statements the general fund reported an interfund receivable at June 30, 2003 of \$2,258. The auxiliary services fund had an interfund payable of \$2,258. An advance was necessary to pay for transportation expenses until payment was received.

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

Note 17 – Capital Lease

The capital lease obligation relates to a new phone system installed throughout the School District. This lease meets the criteria for a capital lease as defined by Statement of Financial Accounting Standards No. 13 “Accounting for Leases” and has been recorded on the government-wide statements. This lease has been capitalized as a capital asset in the amount of \$606,729, the present value of the minimum lease payment at the inception of the lease. The book value as of June 30, 2003 was \$606,729.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2003.

| | <u>Amounts</u> |
|---|------------------|
| 2004 | \$102,376 |
| 2005 | 102,376 |
| 2006 | 102,376 |
| 2007 | 102,376 |
| 2008 – 2009 | <u>170,627</u> |
| Total Minimum Lease Payments | 580,131 |
| Less: Amount representing interest | <u>75,438</u> |
| Present Value of Minimum Lease Payments | <u>\$504,693</u> |

Note 18 – Notes Payable

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

| | <u>Principal Outstanding 6/30/02</u> | <u>Additions</u> | <u>Deductions</u> | <u>Principal Outstanding 6/30/03</u> |
|--------------------------|--|------------------|--------------------|--|
| General Fund | | | | |
| 2001 3.75% | | | | |
| Tax Anticipation Notes | \$2,500,000 | \$0 | \$800,000 | \$1,700,000 |
| 2002 5.0% | | | | |
| Energy Conservation Note | <u>1,270,000</u> | <u>998,000</u> | <u>1,270,000</u> | <u>998,000</u> |
| Total Notes | <u>\$3,770,000</u> | <u>\$998,000</u> | <u>\$2,070,000</u> | <u>\$2,698,000</u> |

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

The tax anticipation notes were used to pay operating expenditures of the School District until the tax levy collections began. The tax anticipation notes will be paid from the general fund with property taxes revenue. Principal and interest payments to retire the tax anticipation notes are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------|--------------------|-----------------|--------------------|
| 2004 | \$835,000 | \$53,984 | \$888,984 |
| 2005 | <u>865,000</u> | <u>18,381</u> | <u>883,381</u> |
| Total | <u>\$1,700,000</u> | <u>\$72,365</u> | <u>\$1,772,365</u> |

Note 19 - Jointly Governed Organizations

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau owned and operated by eleven public school districts. The primary function of LNOCA is to provide data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The

Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. Brecksville-Broadview Heights City School District paid \$90,299 to LNOCA during fiscal year 2003. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valley View, Ohio 44125.

B. Cuyahoga Valley Career Center

The Cuyahoga Valley Career Center (a joint vocational school district) is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of representatives from each participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Cuyahoga Valley Career Center is not part of the School District and its operations are not included as part of the reporting entity. The School District made no contributions to the Cuyahoga Valley Career Center during fiscal year 2003. Financial information can be obtained by contacting the Treasurer at the Cuyahoga Valley Career Center, 8001 Brecksville Road, Brecksville, OH 44141.

C. Ohio Schools' Council

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

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 2003, the School District paid \$800 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

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

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

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

Note 20 – Public Entity Risk Pools

A. Insurance Purchasing Pool

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

B. Risk Sharing Pool

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

Note 21 - 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, 2003.

B. Litigation

Brecksville-Broadview Heights City School District is a party to legal proceedings. The School District management is of the opinion that ultimate disposition of these claims will not have a material effect on the financial condition of the School District.

Note 22 - Set-Asides

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

Brecksville-Broadview Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003*

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

| | Capital Improvements Reserve | Textbooks/ Instructional Materials Reserve |
|--|------------------------------------|--|
| Set-aside Reserve Balance as of June 30, 2002 | \$0 | \$142,021 |
| Current Year Set-aside Requirement | 603,661 | 603,661 |
| Qualifying Disbursements | <u>(1,266,303)</u> | <u>(779,023)</u> |
| Totals | <u>(\$662,642)</u> | <u>(\$33,341)</u> |
| Set-aside Balance Carried Forward to Future Fiscal Years | <u>\$0</u> | <u>(\$33,341)</u> |
| Set-aside Reserve Balance as of June 30, 2003 | <u>\$0</u> | <u>\$0</u> |

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

Note 23 - State School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

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

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

Note 24 - Subsequent Event

The School District placed a 7.6 mill dual purpose levy on the November 4, 2003 ballot. This levy was defeated by the voters.

**Combining Statements
and
Individual Fund Schedules**

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Textbook Subsidy Fund – This fund accounts for State monies used to provide textbooks for the students.

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

(continued)

Combining Statements – Nonmajor Funds (continued)

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

Immigration Education Fund – This fund accounts for Federal monies used for programs to assist in the public education of immigrants.

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Funds (continued)

Nonmajor Capital Projects Funds

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

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

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

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

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2003

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--|--|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$585,196 | \$827,409 | \$1,412,605 |
| Receivables: | | | |
| Taxes | 0 | 694,899 | 694,899 |
| Accounts | 4,603 | 0 | 4,603 |
| Intergovernmental | 33,879 | 0 | 33,879 |
| Inventory Held for Resale | 40,620 | 0 | 40,620 |
| Materials and Supplies Inventory | 7,377 | 0 | 7,377 |
| <i>Total Assets</i> | <u>\$671,675</u> | <u>\$1,522,308</u> | <u>\$2,193,983</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | \$46,542 | \$278 | \$46,820 |
| Accrued Wages and Benefits | 75,319 | 0 | 75,319 |
| Matured Compensated Absences Payable | 3,159 | 0 | 3,159 |
| Interfund Payable | 38,399 | 0 | 38,399 |
| Matured Special Termination Benefits Payable | 7,971 | 0 | 7,971 |
| Intergovernmental Payable | 36,747 | 0 | 36,747 |
| Deferred Revenue | 0 | 628,290 | 628,290 |
| Accrued Interest Payable | 0 | 1,230 | 1,230 |
| Notes Payable | 0 | 998,000 | 998,000 |
| <i>Total Liabilities</i> | <u>208,137</u> | <u>1,627,798</u> | <u>1,835,935</u> |
| Fund Balances | | | |
| Reserved for Encumbrances | 134,871 | 280,862 | 415,733 |
| Reserved for Property Taxes | 0 | 59,050 | 59,050 |
| Unreserved, Undesignated, Reported in: | | | |
| Special Revenue Funds | 328,667 | 0 | 328,667 |
| Capital Projects Funds (Deficit) | 0 | (445,402) | (445,402) |
| <i>Total Fund Balances (Deficit)</i> | <u>463,538</u> | <u>(105,490)</u> | <u>358,048</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$671,675</u> | <u>\$1,522,308</u> | <u>\$2,193,983</u> |

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| Revenues | | | |
| Taxes | \$0 | \$581,427 | \$581,427 |
| Intergovernmental | 1,082,197 | 145,941 | 1,228,138 |
| Interest | 5,211 | 0 | 5,211 |
| Tuition and Fees | 472,007 | 0 | 472,007 |
| Extracurricular Activities | 227,984 | 0 | 227,984 |
| Charges for Services | 1,294,695 | 0 | 1,294,695 |
| Contributions and Donations | 171,500 | 0 | 171,500 |
| Miscellaneous | 7,000 | 2,984 | 9,984 |
| <i>Total Revenues</i> | <u>3,260,594</u> | <u>730,352</u> | <u>3,990,946</u> |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 450,177 | 0 | 450,177 |
| Special | 262,628 | 0 | 262,628 |
| Vocational | 28,314 | 0 | 28,314 |
| Support Services: | | | |
| Pupil | 99,117 | 0 | 99,117 |
| Instructional Staff | 188,398 | 0 | 188,398 |
| Board of Education | 31,133 | 0 | 31,133 |
| Operation and Maintenance of Plant | 21,000 | 0 | 21,000 |
| Central | 4,114 | 0 | 4,114 |
| Operation of Non-Instructional Services | 428,679 | 0 | 428,679 |
| Food Service Operations | 1,242,088 | 0 | 1,242,088 |
| Child Care Operations | 487,164 | 0 | 487,164 |
| Extracurricular Activities | 281,174 | 0 | 281,174 |
| Capital Outlay | 0 | 2,089,834 | 2,089,834 |
| Debt Service: | | | |
| Interest and Fiscal Charges | 0 | 26,796 | 26,796 |
| <i>Total Expenditures</i> | <u>3,523,986</u> | <u>2,116,630</u> | <u>5,640,616</u> |
| <i>Excess of Revenues Under Expenditures</i> | (263,392) | (1,386,278) | (1,649,670) |
| Other Financing Sources | | | |
| Transfers In | 125,000 | 296,878 | 421,878 |
| <i>Net Change in Fund Balances</i> | (138,392) | (1,089,400) | (1,227,792) |
| <i>Fund Balances Beginning of Year</i> | <u>601,930</u> | <u>983,910</u> | <u>1,585,840</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$463,538</u> | <u>(\$105,490)</u> | <u>\$358,048</u> |

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2003

| | <u>Food Service</u> | <u>Scholarship</u> | <u>Uniform School Supplies</u> | <u>Public School Support</u> |
|---|-------------------------|--------------------|--|--------------------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$18,679 | \$70,030 | \$58,366 | \$98,413 |
| Receivables: | | | | |
| Accounts | 59 | 0 | 680 | 2,108 |
| Intergovernmental | 30,762 | 0 | 0 | 0 |
| Inventory Held for Resale | 40,620 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 7,377 | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$97,497</u> | <u>\$70,030</u> | <u>\$59,046</u> | <u>\$100,521</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$0 | \$117 | \$2,849 | \$10,277 |
| Accrued Wages and Benefits | 57,045 | 0 | 0 | 0 |
| Matured Compensated Absences Payable | 3,159 | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 |
| Matured Special Termination Benefits Payable | 7,971 | 0 | 0 | 0 |
| Intergovernmental Payable | 16,079 | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>84,254</u> | <u>117</u> | <u>2,849</u> | <u>10,277</u> |
| Fund Balances | | | | |
| Reserved for Encumbrances | 220 | 1,267 | 3,621 | 17,162 |
| Unreserved, Undesignated (Deficit) | 13,023 | 68,646 | 52,576 | 73,082 |
| <i>Total Fund Balances (Deficit)</i> | <u>13,243</u> | <u>69,913</u> | <u>56,197</u> | <u>90,244</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$97,497</u> | <u>\$70,030</u> | <u>\$59,046</u> | <u>\$100,521</u> |

| <u>Other Grants</u> | <u>Child Care</u> | <u>Athletics</u> | <u>Auxiliary Services</u> | <u>Teacher Development</u> |
|-------------------------|-----------------------|------------------|-------------------------------|--------------------------------|
| \$68,115 | \$34,743 | \$86,750 | \$90,676 | \$12,783 |
| 196 | 1,560 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| <u>\$68,311</u> | <u>\$36,303</u> | <u>\$86,750</u> | <u>\$90,676</u> | <u>\$12,783</u> |
| \$1,921 | \$2,874 | \$0 | \$24,949 | \$0 |
| 6,108 | 12,166 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 36,141 | 0 | 2,258 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 6,592 | 12,021 | 0 | 0 | 0 |
| <u>14,621</u> | <u>63,202</u> | <u>0</u> | <u>27,207</u> | <u>0</u> |
| 3,428 | 4,379 | 26,354 | 65,361 | 0 |
| <u>50,262</u> | <u>(31,278)</u> | <u>60,396</u> | <u>(1,892)</u> | <u>12,783</u> |
| <u>53,690</u> | <u>(26,899)</u> | <u>86,750</u> | <u>63,469</u> | <u>12,783</u> |
| <u>\$68,311</u> | <u>\$36,303</u> | <u>\$86,750</u> | <u>\$90,676</u> | <u>\$12,783</u> |

(continued)

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds (continued)

June 30, 2003

| | Educational Management Information Systems | One Net | SchoolNet Professional Development | Ohio Reads Classroom Grant |
|---|---|----------------|--|----------------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$12,420 | \$1,060 | \$4,600 | \$4,452 |
| Receivables: | | | | |
| Accounts | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Inventory Held for Resale | 0 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$12,420</u> | <u>\$1,060</u> | <u>\$4,600</u> | <u>\$4,452</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$0 | \$0 | \$0 | \$2,135 |
| Accrued Wages and Benefits | 0 | 0 | 0 | 0 |
| Matured Compensated Absences Payable | 0 | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 |
| Matured Special Termination Benefits Payable | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 | 127 |
| <i>Total Liabilities</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,262</u> |
| Fund Balances | | | | |
| Reserved for Encumbrances | 1,069 | 0 | 0 | 658 |
| Unreserved, Undesignated (Deficit) | 11,351 | 1,060 | 4,600 | 1,532 |
| <i>Total Fund Balances (Deficit)</i> | <u>12,420</u> | <u>1,060</u> | <u>4,600</u> | <u>2,190</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$12,420</u> | <u>\$1,060</u> | <u>\$4,600</u> | <u>\$4,452</u> |

| <u>Summer Intervention</u> | <u>Entry Level Teachers</u> | <u>Safe School Help Line</u> | <u>Title VI-B</u> | <u>Title III</u> |
|--------------------------------|-------------------------------------|----------------------------------|-------------------|------------------|
| \$257 | \$4,000 | \$3,815 | \$1,824 | \$2,262 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| <u>\$257</u> | <u>\$4,000</u> | <u>\$3,815</u> | <u>\$1,824</u> | <u>\$2,262</u> |
| \$0 | \$0 | \$0 | \$738 | \$0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 528 | 117 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>1,266</u> | <u>117</u> |
| 0 | 0 | 0 | 7,548 | 2,262 |
| 257 | 4,000 | 3,815 | (6,990) | (117) |
| <u>257</u> | <u>4,000</u> | <u>3,815</u> | <u>558</u> | <u>2,145</u> |
| <u>\$257</u> | <u>\$4,000</u> | <u>\$3,815</u> | <u>\$1,824</u> | <u>\$2,262</u> |

(continued)

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds (continued)

June 30, 2003

| | <u>Title I</u> | <u>Title V</u> | <u>Drug Free Schools</u> | <u>Pre-School</u> |
|--|----------------|----------------|------------------------------|-------------------|
| Assets | | | | |
| Equity in Pooled Cash and | | | | |
| Cash Equivalents | \$139 | \$1,002 | \$971 | \$0 |
| Receivables: | | | | |
| Accounts | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 3,117 | 0 | 0 |
| Inventory Held for Resale | 0 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$139</u> | <u>\$4,119</u> | <u>\$971</u> | <u>\$0</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$0 | \$0 | \$0 | \$0 |
| Accrued Wages and Benefits | 0 | 0 | 0 | 0 |
| Matured Compensated Absences Payable | 0 | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 |
| Matured Special Termination Benefits Payable | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 244 | 77 | 30 | 665 |
| <i>Total Liabilities</i> | <u>244</u> | <u>77</u> | <u>30</u> | <u>665</u> |
| Fund Balances | | | | |
| Reserved for Encumbrances | 0 | 0 | 400 | 0 |
| Unreserved, Undesignated (Deficit) | (105) | 4,042 | 541 | (665) |
| <i>Total Fund Balances (Deficit)</i> | <u>(105)</u> | <u>4,042</u> | <u>941</u> | <u>(665)</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$139</u> | <u>\$4,119</u> | <u>\$971</u> | <u>\$0</u> |

| Improving Teacher Quality | Assistive Technology | Title II-D | Total Nonmajor Special Revenue Funds |
|---------------------------------|-------------------------|----------------|---|
| \$5,983 | \$1,941 | \$1,915 | \$585,196 |
| 0 | 0 | 0 | 4,603 |
| 0 | 0 | 0 | 33,879 |
| 0 | 0 | 0 | 40,620 |
| 0 | 0 | 0 | 7,377 |
| <u>\$5,983</u> | <u>\$1,941</u> | <u>\$1,915</u> | <u>\$671,675</u> |
| \$72 | \$610 | \$0 | \$46,542 |
| 0 | 0 | 0 | 75,319 |
| 0 | 0 | 0 | 3,159 |
| 0 | 0 | 0 | 38,399 |
| 0 | 0 | 0 | 7,971 |
| 267 | 0 | 0 | 36,747 |
| <u>339</u> | <u>610</u> | <u>0</u> | <u>208,137</u> |
| 151 | 991 | 0 | 134,871 |
| 5,493 | 340 | 1,915 | 328,667 |
| <u>5,644</u> | <u>1,331</u> | <u>1,915</u> | <u>463,538</u> |
| <u>\$5,983</u> | <u>\$1,941</u> | <u>\$1,915</u> | <u>\$671,675</u> |

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

| | Food Service | Scholarship | Uniform School Supplies | Public School Support |
|---|------------------|-----------------|-------------------------------|-----------------------------|
| Revenues | | | | |
| Intergovernmental | \$142,931 | \$0 | \$0 | \$0 |
| Interest | 0 | 564 | 0 | 0 |
| Tuition and Fees | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Charges for Services | 1,012,054 | 3,549 | 164,572 | 114,520 |
| Contributions and Donations | 0 | 60,566 | 0 | 33,817 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>1,154,985</u> | <u>64,679</u> | <u>164,572</u> | <u>148,337</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 0 | 4,178 | 151,980 | 117,161 |
| Special | 0 | 0 | 0 | 0 |
| Adult/Continuing | 0 | 0 | 0 | 0 |
| Support Services: | | | | |
| Pupil | 0 | 0 | 0 | 0 |
| Instructional Staff | 0 | 0 | 0 | 0 |
| Administration | 0 | 1,383 | 0 | 0 |
| Operation and Maintenance of Plant | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 |
| Operation of Non-Instructional Services | 0 | 56,951 | 0 | 0 |
| Food Service Operations | 1,242,088 | 0 | 0 | 0 |
| Child Care Operations | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>1,242,088</u> | <u>62,512</u> | <u>151,980</u> | <u>117,161</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (87,103) | 2,167 | 12,592 | 31,176 |
| Other Financing Sources | | | | |
| Transfers In | <u>100,000</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | 12,897 | 2,167 | 12,592 | 31,176 |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>346</u> | <u>67,746</u> | <u>43,605</u> | <u>59,068</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$13,243</u> | <u>\$69,913</u> | <u>\$56,197</u> | <u>\$90,244</u> |

| Other Grants | Child Care | Athletics | Auxiliary Services | Teacher Development | Educational Management Information Systems |
|-----------------|-------------------|-----------------|--------------------|---------------------|--|
| \$0 | \$0 | \$0 | \$277,182 | \$0 | \$16,511 |
| 0 | 0 | 1,509 | 3,138 | 0 | 0 |
| 0 | 472,007 | 0 | 0 | 0 | 0 |
| 0 | 0 | 227,984 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 56,036 | 19,031 | 2,050 | 0 | 0 | 0 |
| 0 | 0 | 7,000 | 0 | 0 | 0 |
| <u>56,036</u> | <u>491,038</u> | <u>238,543</u> | <u>280,320</u> | <u>0</u> | <u>16,511</u> |
| 11,085 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 28,314 | 0 | 0 | 0 | 0 | 0 |
| 28 | 0 | 0 | 0 | 0 | 10,309 |
| 0 | 0 | 0 | 0 | 722 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 69,438 | 0 | 0 | 285,778 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 487,164 | 0 | 0 | 0 | 0 |
| 0 | 0 | 281,174 | 0 | 0 | 0 |
| <u>108,865</u> | <u>487,164</u> | <u>281,174</u> | <u>285,778</u> | <u>722</u> | <u>10,309</u> |
| (52,829) | 3,874 | (42,631) | (5,458) | (722) | 6,202 |
| <u>25,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (27,829) | 3,874 | (42,631) | (5,458) | (722) | 6,202 |
| <u>81,519</u> | <u>(30,773)</u> | <u>129,381</u> | <u>68,927</u> | <u>13,505</u> | <u>6,218</u> |
| <u>\$53,690</u> | <u>(\$26,899)</u> | <u>\$86,750</u> | <u>\$63,469</u> | <u>\$12,783</u> | <u>\$12,420</u> |

(continued)

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2003

| | One Net | SchoolNet Professional Development | Textbook Subsidy | Ohio Reads Classroom Grant |
|---|---------------------|--|---------------------|----------------------------------|
| Revenues | | | | |
| Intergovernmental | \$21,000 | \$4,600 | \$0 | \$36,000 |
| Interest | 0 | 0 | 0 | 0 |
| Tuition and Fees | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Contributions and Donations | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>21,000</u> | <u>4,600</u> | <u>0</u> | <u>36,000</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 5,940 | 0 | 2,444 | 28,122 |
| Special | 0 | 0 | 0 | 0 |
| Adult/Continuing | 0 | 0 | 0 | 0 |
| Support Services: | | | | |
| Pupil | 0 | 0 | 0 | 218 |
| Instructional Staff | 0 | 7,097 | 0 | 7,352 |
| Administration | 0 | 0 | 0 | 4,028 |
| Operation and Maintenance of Plant | 21,000 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 |
| Operation of Non-Instructional Services | 0 | 0 | 0 | 0 |
| Food Service Operations | 0 | 0 | 0 | 0 |
| Child Care Operations | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>26,940</u> | <u>7,097</u> | <u>2,444</u> | <u>39,720</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (5,940) | (2,497) | (2,444) | (3,720) |
| Other Financing Sources | | | | |
| Transfers In | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | (5,940) | (2,497) | (2,444) | (3,720) |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>7,000</u> | <u>7,097</u> | <u>2,444</u> | <u>5,910</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u><u>1,060</u></u> | <u><u>\$4,600</u></u> | <u><u>\$0</u></u> | <u><u>\$2,190</u></u> |

| Summer Intervention | Entry Level Teachers | Safe School Help Line | Title VI-B | Title III | Title I |
|---------------------|----------------------|-----------------------|------------|-----------|----------|
| \$0 | \$4,000 | \$3,815 | \$346,711 | \$37,570 | \$69,951 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 4,000 | 3,815 | 346,711 | 37,570 | 69,951 |
| 0 | 0 | 0 | 0 | 32,721 | 0 |
| 0 | 0 | 0 | 192,502 | 0 | 70,126 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 63,324 | 0 | 0 |
| 0 | 0 | 0 | 156,618 | 1,200 | 0 |
| 0 | 0 | 0 | 0 | 0 | 1,007 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 4,114 | 0 | 0 | 0 |
| 0 | 0 | 0 | 15,008 | 1,504 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 4,114 | 427,452 | 35,425 | 71,133 |
| 0 | 4,000 | (299) | (80,741) | 2,145 | (1,182) |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 4,000 | (299) | (80,741) | 2,145 | (1,182) |
| 257 | 0 | 4,114 | 81,299 | 0 | 1,077 |
| \$257 | \$4,000 | \$3,815 | \$558 | \$2,145 | (\$105) |

(continued)

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2003

| | Title V | Immigration Education | Drug Free Schools | Pre-School |
|---|-----------------------|--------------------------|----------------------|-----------------------|
| Revenues | | | | |
| Intergovernmental | \$14,359 | \$0 | \$11,988 | \$19,502 |
| Interest | 0 | 0 | 0 | 0 |
| Tuition and Fees | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Contributions and Donations | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>14,359</u> | <u>0</u> | <u>11,988</u> | <u>19,502</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 28,589 | 5,500 | 1,560 | 0 |
| Special | 0 | 0 | 0 | 0 |
| Adult/Continuing | 0 | 0 | 0 | 0 |
| Support Services: | | | | |
| Pupil | 0 | 0 | 0 | 19,962 |
| Instructional Staff | 0 | 0 | 0 | 0 |
| Administration | 0 | 0 | 24,715 | 0 |
| Operation and Maintenance of Plant | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 |
| Operation of Non-Instructional Services | 0 | 0 | 0 | 0 |
| Food Service Operations | 0 | 0 | 0 | 0 |
| Child Care Operations | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>28,589</u> | <u>5,500</u> | <u>26,275</u> | <u>19,962</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (14,230) | (5,500) | (14,287) | (460) |
| Other Financing Sources | | | | |
| Transfers In | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | (14,230) | (5,500) | (14,287) | (460) |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>18,272</u> | <u>5,500</u> | <u>15,228</u> | <u>(205)</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u><u>\$4,042</u></u> | <u><u>\$0</u></u> | <u><u>\$941</u></u> | <u><u>(\$665)</u></u> |

| Improving Teacher Quality | Assistive Technology | Title II-D | Total Nonmajor Special Revenue Funds |
|---------------------------------|-------------------------|----------------|---|
| \$60,643 | \$13,519 | \$1,915 | \$1,082,197 |
| 0 | 0 | 0 | 5,211 |
| 0 | 0 | 0 | 472,007 |
| 0 | 0 | 0 | 227,984 |
| 0 | 0 | 0 | 1,294,695 |
| 0 | 0 | 0 | 171,500 |
| 0 | 0 | 0 | 7,000 |
| <u>60,643</u> | <u>13,519</u> | <u>1,915</u> | <u>3,260,594</u> |
| 60,897 | 0 | 0 | 450,177 |
| 0 | 0 | 0 | 262,628 |
| 0 | 0 | 0 | 28,314 |
| 5,276 | 0 | 0 | 99,117 |
| 301 | 15,108 | 0 | 188,398 |
| 0 | 0 | 0 | 31,133 |
| 0 | 0 | 0 | 21,000 |
| 0 | 0 | 0 | 4,114 |
| 0 | 0 | 0 | 428,679 |
| 0 | 0 | 0 | 1,242,088 |
| 0 | 0 | 0 | 487,164 |
| 0 | 0 | 0 | 281,174 |
| <u>66,474</u> | <u>15,108</u> | <u>0</u> | <u>3,523,986</u> |
| (5,831) | (1,589) | 1,915 | (263,392) |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>125,000</u> |
| (5,831) | (1,589) | 1,915 | (138,392) |
| <u>11,475</u> | <u>2,920</u> | <u>0</u> | <u>601,930</u> |
| <u>\$5,644</u> | <u>\$1,331</u> | <u>\$1,915</u> | <u>\$463,538</u> |

Brecksville-Broadview Heights City School District

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2003

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>SchoolNet Plus</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|--|----------------------------------|------------------|---------------------------|--|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$645,717 | \$166,275 | \$15,417 | \$827,409 |
| Taxes Receivable | 694,899 | 0 | 0 | 694,899 |
| <i>Total Assets</i> | <u>\$1,340,616</u> | <u>\$166,275</u> | <u>\$15,417</u> | <u>\$1,522,308</u> |
| | | | | |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$278 | \$0 | \$0 | \$278 |
| Deferred Revenue | 628,290 | 0 | 0 | 628,290 |
| Accrued Interest Payable | 0 | 1,230 | 0 | 1,230 |
| Notes Payable | 0 | 998,000 | 0 | 998,000 |
| <i>Total Liabilities</i> | <u>628,568</u> | <u>999,230</u> | <u>0</u> | <u>1,627,798</u> |
| | | | | |
| Fund Balances | | | | |
| Reserved for Encumbrances | 136,945 | 128,500 | 15,417 | 280,862 |
| Reserved for Property Taxes | 59,050 | 0 | 0 | 59,050 |
| Unreserved, Undesignated (Deficit) | 516,053 | (961,455) | 0 | (445,402) |
| <i>Total Fund Balances (Deficit)</i> | <u>712,048</u> | <u>(832,955)</u> | <u>15,417</u> | <u>(105,490)</u> |
| | | | | |
| <i>Total Liabilities and Fund Balances</i> | <u>\$1,340,616</u> | <u>\$166,275</u> | <u>\$15,417</u> | <u>\$1,522,308</u> |

Brecksville-Broadview Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

| | Permanent Improvement | Building | SchoolNet Plus | Total Nonmajor Capital Projects Funds |
|--|--------------------------|---------------------------|------------------------|--|
| Revenues | | | | |
| Taxes | \$581,427 | \$0 | \$0 | \$581,427 |
| Intergovernmental | 83,532 | 0 | 62,409 | 145,941 |
| Miscellaneous | 0 | 2,984 | 0 | 2,984 |
| <i>Total Revenues</i> | <u>664,959</u> | <u>2,984</u> | <u>62,409</u> | <u>730,352</u> |
| Expenditures | | | | |
| Capital Outlay | 744,655 | 1,262,187 | 82,992 | 2,089,834 |
| Debt Service: | | | | |
| Interest and Fiscal Charges | 0 | 26,796 | 0 | 26,796 |
| <i>Total Expenditures</i> | <u>744,655</u> | <u>1,288,983</u> | <u>82,992</u> | <u>2,116,630</u> |
| <i>Excess of Revenues Under Expenditures</i> | (79,696) | (1,285,999) | (20,583) | (1,386,278) |
| Other Financing Sources | | | | |
| Transfers In | 0 | 296,878 | 0 | 296,878 |
| <i>Net Change in Fund Balances</i> | (79,696) | (989,121) | (20,583) | (1,089,400) |
| <i>Fund Balances Beginning of Year</i> | <u>791,744</u> | <u>156,166</u> | <u>36,000</u> | <u>983,910</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u><u>\$712,048</u></u> | <u><u>(\$832,955)</u></u> | <u><u>\$15,417</u></u> | <u><u>(\$105,490)</u></u> |

Brecksville-Broadview Heights City School District

Statement of Changes in Assets and Liabilities

Agency Fund

For the Fiscal Year Ended June 30, 2003

| | Balance July 1, 2002 | Additions | Reductions | Balance June 30, 2003 |
|---|-------------------------|------------------|------------------|--------------------------|
| Student Activities Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$96,075 | \$205,830 | \$191,072 | \$110,833 |
| Accrued Interest Receivable | 298 | 0 | 298 | 0 |
| Total Assets | <u>\$96,373</u> | <u>\$205,830</u> | <u>\$191,370</u> | <u>\$110,833</u> |
| Liabilities | | | | |
| Due to Students | <u>\$96,373</u> | <u>\$205,830</u> | <u>\$191,370</u> | <u>\$110,833</u> |

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

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

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

General Fund

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|------------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Taxes | \$27,244,530 | \$26,270,733 | \$27,153,277 | \$882,544 |
| Intergovernmental | 7,890,129 | 8,973,825 | 8,973,825 | 0 |
| Interest | 185,000 | 180,000 | 185,001 | 5,001 |
| Tuition and Fees | 335,000 | 390,000 | 385,902 | (4,098) |
| Extracurricular Activities | 40,000 | 43,000 | 42,690 | (310) |
| Payment in Lieu of Taxes | 20,000 | 41,726 | 41,722 | (4) |
| Rentals | 50,000 | 43,500 | 43,300 | (200) |
| Charges for Services | 297,673 | 277,760 | 276,834 | (926) |
| Contributions and Donations | 11,250 | 9,250 | 5,479 | (3,771) |
| Miscellaneous | 14,135 | 2,457 | 3,629 | 1,172 |
| <i>Total Revenues</i> | <u>36,087,717</u> | <u>36,232,251</u> | <u>37,111,659</u> | <u>879,408</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 12,426,350 | 12,727,652 | 12,678,778 | 48,874 |
| Fringe Benefits | 3,649,564 | 3,624,958 | 3,609,319 | 15,639 |
| Purchased Services | 186,346 | 187,035 | 177,934 | 9,101 |
| Materials and Supplies | 449,697 | 498,452 | 446,963 | 51,489 |
| Capital Outlay - New | 77,174 | 76,893 | 73,917 | 2,976 |
| Capital Outlay - Replacement | 49,486 | 47,817 | 40,887 | 6,930 |
| Total Regular | <u>16,838,617</u> | <u>17,162,807</u> | <u>17,027,798</u> | <u>135,009</u> |
| Special: | | | | |
| Salaries and Wages | 2,097,058 | 2,052,285 | 2,005,494 | 46,791 |
| Fringe Benefits | 613,674 | 583,755 | 574,031 | 9,724 |
| Purchased Services | 1,060,309 | 861,723 | 838,662 | 23,061 |
| Materials and Supplies | 8,186 | 10,126 | 8,028 | 2,098 |
| Capital Outlay - New | 6,090 | 8,090 | 6,765 | 1,325 |
| Other | 241,425 | 244,249 | 181,948 | 62,301 |
| Total Special | <u>4,026,742</u> | <u>3,760,228</u> | <u>3,614,928</u> | <u>145,300</u> |
| Vocational: | | | | |
| Salaries and Wages | 225,000 | 268,866 | 268,838 | 28 |
| Fringe Benefits | 63,948 | 69,060 | 69,016 | 44 |
| Materials and Supplies | 515 | 515 | 0 | 515 |
| Capital Outlay - New | 0 | 6,480 | 5,807 | 673 |
| Capital Outlay - Replacement | 0 | 3,240 | 0 | 3,240 |
| Total Vocational | <u>289,463</u> | <u>348,161</u> | <u>343,661</u> | <u>4,500</u> |
| Total Instruction | <u>\$21,154,822</u> | <u>\$21,271,196</u> | <u>\$20,986,387</u> | <u>\$284,809</u> |

(continued)

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

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

General Fund (continued)

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Support Services: | | | | |
| Pupil: | | | | |
| Salaries and Wages | \$1,809,000 | \$1,727,899 | \$1,726,292 | \$1,607 |
| Fringe Benefits | 549,674 | 476,135 | 474,933 | 1,202 |
| Purchased Services | 31,692 | 27,672 | 24,058 | 3,614 |
| Materials and Supplies | 75,579 | 34,853 | 34,766 | 87 |
| Capital Outlay - New | 151,635 | 144,135 | 143,887 | 248 |
| Other | 750 | 750 | 0 | 750 |
| Total Pupil | 2,618,330 | 2,411,444 | 2,403,936 | 7,508 |
| Instructional Staff: | | | | |
| Salaries and Wages | 1,481,135 | 1,037,995 | 1,027,564 | 10,431 |
| Fringe Benefits | 392,295 | 341,832 | 317,438 | 24,394 |
| Purchased Services | 24,445 | 24,445 | 17,250 | 7,195 |
| Materials and Supplies | 69,974 | 110,620 | 84,947 | 25,673 |
| Capital Outlay - New | 2,000 | 2,000 | 2,000 | 0 |
| Other | 1,766 | 1,766 | 1,461 | 305 |
| Total Instructional Staff | 1,971,615 | 1,518,658 | 1,450,660 | 67,998 |
| Board of Education: | | | | |
| Salaries and Wages | 9,600 | 6,800 | 6,800 | 0 |
| Fringe Benefits | 800 | 450 | 436 | 14 |
| Purchased Services | 20,752 | 22,977 | 21,981 | 996 |
| Other | 42,500 | 63,800 | 62,622 | 1,178 |
| Total Board of Education | 73,652 | 94,027 | 91,839 | 2,188 |
| Administration: | | | | |
| Salaries and Wages | 1,788,000 | 1,790,775 | 1,786,493 | 4,282 |
| Fringe Benefits | 668,970 | 653,185 | 649,875 | 3,310 |
| Purchased Services | 208,282 | 215,326 | 179,568 | 35,758 |
| Materials and Supplies | 21,878 | 23,518 | 20,844 | 2,674 |
| Capital Outlay - New | 9,073 | 8,723 | 5,088 | 3,635 |
| Other | 95,025 | 102,475 | 96,611 | 5,864 |
| Total Administration | 2,791,228 | 2,794,002 | 2,738,479 | 55,523 |
| Fiscal: | | | | |
| Salaries and Wages | 250,000 | 214,200 | 214,179 | 21 |
| Fringe Benefits | 91,350 | 73,045 | 72,999 | 46 |
| Purchased Services | 54,219 | 38,719 | 27,773 | 10,946 |
| Materials and Supplies | 10,850 | 13,200 | 12,238 | 962 |
| Capital Outlay - New | 5,000 | 3,500 | 393 | 3,107 |
| Capital Outlay - Replacement | 5,000 | 6,500 | 6,043 | 457 |
| Other | 482,500 | 420,874 | 405,287 | 15,587 |
| Total Fiscal | \$898,919 | \$770,038 | \$738,912 | \$31,126 |

(continued)

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

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

General Fund (continued)

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| Business: | | | | |
| Salaries and Wages | \$211,500 | \$200,400 | \$200,400 | \$0 |
| Fringe Benefits | 85,411 | 79,285 | 79,105 | 180 |
| Purchased Services | 115,800 | 130,532 | 120,817 | 9,715 |
| Materials and Supplies | 19,141 | 16,759 | 16,195 | 564 |
| Capital Outlay - New | 3,000 | 3,700 | 3,536 | 164 |
| Capital Outlay - Replacement | 5,000 | 0 | 0 | 0 |
| Other | 1,755 | 1,005 | 977 | 28 |
| Total Business | 441,607 | 431,681 | 421,030 | 10,651 |
| Operation and Maintenance of Plant: | | | | |
| Salaries and Wages | 1,975,500 | 1,733,135 | 1,732,983 | 152 |
| Fringe Benefits | 586,130 | 637,970 | 636,942 | 1,028 |
| Purchased Services | 1,661,608 | 1,600,258 | 1,503,849 | 96,409 |
| Materials and Supplies | 306,448 | 278,648 | 255,793 | 22,855 |
| Capital Outlay - New | 30,000 | 30,000 | 22,550 | 7,450 |
| Capital Outlay - Replacement | 77,000 | 59,500 | 49,690 | 9,810 |
| Other | 12,750 | 6,900 | 6,297 | 603 |
| Total Operation and Maintenance of Plant | 4,649,436 | 4,346,411 | 4,208,104 | 138,307 |
| Pupil Transportation: | | | | |
| Salaries and Wages | 1,595,000 | 1,536,700 | 1,536,635 | 65 |
| Fringe Benefits | 497,850 | 495,595 | 494,609 | 986 |
| Purchased Services | 240,819 | 238,069 | 224,882 | 13,187 |
| Materials and Supplies | 330,394 | 327,894 | 298,153 | 29,741 |
| Capital Outlay - New | 0 | 2,500 | 2,400 | 100 |
| Capital Outlay - Replacement | 222,000 | 335,768 | 335,375 | 393 |
| Other | 750 | 0 | 0 | 0 |
| Total Pupil Transportation | 2,886,813 | 2,936,526 | 2,892,054 | 44,472 |
| Central: | | | | |
| Salaries and Wages | 65,000 | 61,675 | 61,663 | 12 |
| Fringe Benefits | 30,575 | 26,325 | 26,291 | 34 |
| Purchased Services | 134,847 | 134,847 | 85,235 | 49,612 |
| Materials and Supplies | 24,868 | 24,218 | 21,217 | 3,001 |
| Capital Outlay - New | 0 | 600 | 532 | 68 |
| Other | 750 | 750 | 535 | 215 |
| Total Central | 256,040 | 248,415 | 195,473 | 52,942 |
| Total Support Services | 16,587,640 | 15,551,202 | 15,140,487 | 410,715 |
| Extracurricular Activities: | | | | |
| Academic and Subject Oriented Activities: | | | | |
| Salaries and Wages | 88,870 | 88,725 | 88,669 | 56 |
| Fringe Benefits | 17,775 | 17,680 | 17,613 | 67 |
| Purchased Services | 2,500 | 4,438 | 3,356 | 1,082 |
| Total Academic and Subject Oriented Activities | \$109,145 | \$110,843 | \$109,638 | \$1,205 |

(continued)

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Sports Oriented Activities: | | | | |
| Salaries and Wages | \$459,250 | \$454,675 | \$454,598 | \$77 |
| Fringe Benefits | 83,462 | 90,060 | 90,059 | 1 |
| Purchased Services | 2,500 | 10,555 | 10,554 | 1 |
| Other | 750 | 750 | 0 | 750 |
| Total Sports Oriented Activities | <u>545,962</u> | <u>556,040</u> | <u>555,211</u> | <u>829</u> |
| School and Public Service | | | | |
| Co-Curricular Activities: | | | | |
| Salaries and Wages | 17,060 | 18,190 | 18,133 | 57 |
| Fringe Benefits | 3,100 | 2,430 | 2,390 | 40 |
| Total School and Public Service | | | | |
| Co-Curricular Activities | <u>20,160</u> | <u>20,620</u> | <u>20,523</u> | <u>97</u> |
| Total Extracurricular Activities | <u>675,267</u> | <u>687,503</u> | <u>685,372</u> | <u>2,131</u> |
| Capital Outlay: | | | | |
| Site Improvement Services: | | | | |
| Capital Outlay - New | 25,000 | 12,778 | 11,700 | 1,078 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 17,683 | 17,683 | 0 |
| Interest and Fiscal Charges | 0 | 7,215 | 7,215 | 0 |
| Total Debt Service | <u>0</u> | <u>24,898</u> | <u>24,898</u> | <u>0</u> |
| Total Expenditures | <u>38,442,729</u> | <u>37,547,577</u> | <u>36,848,844</u> | <u>698,733</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(2,355,012)</u> | <u>(1,315,326)</u> | <u>262,815</u> | <u>1,578,141</u> |
| Other Financing Sources (Uses) | | | | |
| Advances In | 264,000 | 264,000 | 260,000 | (4,000) |
| Advances Out | (304,000) | (299,000) | (295,000) | 4,000 |
| Transfers Out | (100,000) | (427,830) | (421,878) | 5,952 |
| Total Other Financing Sources (Uses) | <u>(140,000)</u> | <u>(462,830)</u> | <u>(456,878)</u> | <u>5,952</u> |
| Net Change in Fund Balance | (2,495,012) | (1,778,156) | (194,063) | 1,584,093 |
| Fund Balance Beginning of Year | 2,730,520 | 2,730,520 | 2,730,520 | 0 |
| Prior Year Encumbrances Appropriated | 614,174 | 614,174 | 614,174 | 0 |
| Fund Balance End of Year | <u>\$849,682</u> | <u>\$1,566,538</u> | <u>\$3,150,631</u> | <u>\$1,584,093</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Taxes | \$3,516,722 | \$3,455,189 | \$3,482,416 | \$27,227 |
| Intergovernmental | 276,516 | 336,149 | 336,149 | 0 |
| Miscellaneous | 0 | 2,984 | 2,984 | 0 |
| <i>Total Revenues</i> | <u>3,793,238</u> | <u>3,794,322</u> | <u>3,821,549</u> | <u>27,227</u> |
| Expenditures | | | | |
| Debt Service: | | | | |
| Principal Retirement | 1,767,682 | 3,020,000 | 3,020,000 | 0 |
| Interest and Fiscal Charges | 1,987,033 | 2,007,680 | 2,007,680 | 0 |
| <i>Total Expenditures</i> | <u>3,754,715</u> | <u>5,027,680</u> | <u>5,027,680</u> | <u>0</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>38,523</u> | <u>(1,233,358)</u> | <u>(1,206,131)</u> | <u>27,227</u> |
| Other Financing Sources | | | | |
| Proceeds of Notes | 0 | 998,000 | 998,000 | 0 |
| Transfers In | 0 | 0 | 296,878 | 296,878 |
| <i>Total Other Financing Sources</i> | <u>0</u> | <u>998,000</u> | <u>1,294,878</u> | <u>296,878</u> |
| <i>Net Change in Fund Balance</i> | 38,523 | (235,358) | 88,747 | 324,105 |
| <i>Fund Balance Beginning of Year</i> | <u>2,595,318</u> | <u>2,595,318</u> | <u>2,595,318</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$2,633,841</u> | <u>\$2,359,960</u> | <u>\$2,684,065</u> | <u>\$324,105</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Intergovernmental | \$103,000 | \$102,481 | \$101,718 | (\$763) |
| Charges for Services | 890,000 | 1,012,000 | 1,013,653 | 1,653 |
| <i>Total Revenues</i> | <u>993,000</u> | <u>1,114,481</u> | <u>1,115,371</u> | <u>890</u> |
| Expenditures | | | | |
| Current: | | | | |
| Food Service Operations: | | | | |
| Salaries and Wages | 563,068 | 585,433 | 585,431 | 2 |
| Fringe Benefits | 222,060 | 189,695 | 188,173 | 1,522 |
| Purchased Services | 6,724 | 6,991 | 3,793 | 3,198 |
| Materials and Supplies | 373,185 | 452,918 | 441,155 | 11,763 |
| Capital Outlay - New | 10,000 | 0 | 0 | 0 |
| Other | 750 | 750 | 87 | 663 |
| <i>Total Expenditures</i> | <u>1,175,787</u> | <u>1,235,787</u> | <u>1,218,639</u> | <u>17,148</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(182,787)</u> | <u>(121,306)</u> | <u>(103,268)</u> | <u>18,038</u> |
| Other Financing Sources (Uses) | | | | |
| Advances In | 142,000 | 100,000 | 100,000 | 0 |
| Advances Out | (100,000) | (100,000) | (100,000) | 0 |
| Operating Transfers In | 140,000 | 100,000 | 100,000 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>182,000</u> | <u>100,000</u> | <u>100,000</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (787) | (21,306) | (3,268) | 18,038 |
| <i>Fund Balance Beginning of Year</i> | 20,940 | 20,940 | 20,940 | 0 |
| Prior Year Encumbrances Appropriated | 787 | 787 | 787 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$20,940</u> | <u>\$421</u> | <u>\$18,459</u> | <u>\$18,038</u> |

Brecksville-Broadview Heights City School District

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2003*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$600 | \$600 | \$564 | (\$36) |
| Charges for Services | 4,100 | 4,100 | 3,549 | (551) |
| Contributions and Donations | 50,300 | 60,300 | 60,566 | 266 |
| <i>Total Revenues</i> | <u>55,000</u> | <u>65,000</u> | <u>64,679</u> | <u>(321)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Other | 64,725 | 5,500 | 4,290 | 1,210 |
| Support Services: | | | | |
| Administration: | | | | |
| Purchased Services | 100 | 100 | 60 | 40 |
| Materials and Supplies | 1,500 | 1,500 | 1,436 | 64 |
| Other | 0 | 100 | 42 | 58 |
| Total Support Services | 1,600 | 1,700 | 1,538 | 162 |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Other | 0 | 57,951 | 57,951 | 0 |
| <i>Total Expenditures</i> | <u>66,325</u> | <u>65,151</u> | <u>63,779</u> | <u>1,372</u> |
| <i>Net Change in Fund Balance</i> | (11,325) | (151) | 900 | 1,051 |
| <i>Fund Balance Beginning of Year</i> | 67,011 | 67,011 | 67,011 | 0 |
| Prior Year Encumbrances Appropriated | 735 | 735 | 735 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$56,421</u> | <u>\$67,595</u> | <u>\$68,646</u> | <u>\$1,051</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$115,000 | \$164,333 | \$164,322 | (\$11) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Materials and Supplies | 180,054 | 207,554 | 156,928 | 50,626 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (65,054) | (43,221) | 7,394 | 50,615 |
| Other Financing Sources (Uses) | | | | |
| Advances In | 160,000 | 160,000 | 160,000 | 0 |
| Advances Out | (133,775) | (160,000) | (160,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | 26,225 | 0 | 0 | 0 |
| <i>Net Change in Fund Balance</i> | (38,829) | (43,221) | 7,394 | 50,615 |
| <i>Fund Balance Beginning of Year</i> | 41,311 | 41,311 | 41,311 | 0 |
| Prior Year Encumbrances Appropriated | 3,879 | 3,879 | 3,879 | 0 |
| <i>Fund Balance End of Year</i> | \$6,361 | \$1,969 | \$52,584 | \$50,615 |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Charges for Services | \$218,570 | \$119,200 | \$114,879 | (\$4,321) |
| Contributions and Donations | 31,330 | 30,700 | 31,714 | 1,014 |
| <i>Total Revenues</i> | <u>249,900</u> | <u>149,900</u> | <u>146,593</u> | <u>(3,307)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Purchased Services | 4,450 | 4,550 | 4,004 | 546 |
| Materials and Supplies | 11,717 | 41,679 | 33,350 | 8,329 |
| Capital Outlay - New | 24,400 | 24,311 | 20,988 | 3,323 |
| Other | 99,363 | 99,390 | 75,982 | 23,408 |
| <i>Total Expenditures</i> | <u>139,930</u> | <u>169,930</u> | <u>134,324</u> | <u>35,606</u> |
| <i>Net Change in Fund Balance</i> | 109,970 | (20,030) | 12,269 | 32,299 |
| <i>Fund Balance Beginning of Year</i> | 57,274 | 57,274 | 57,274 | 0 |
| Prior Year Encumbrances Appropriated | 1,430 | 1,430 | 1,430 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$168,674</u> | <u>\$38,674</u> | <u>\$70,973</u> | <u>\$32,299</u> |

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

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

Other Grants Fund

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Contributions and Donations | \$80,000 | \$56,885 | \$55,840 | (\$1,045) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 0 | 150 | 0 | 150 |
| Purchased Services | 0 | 3,442 | 3,000 | 442 |
| Materials and Supplies | 2,096 | 4,978 | 4,584 | 394 |
| Capital Outlay - New | 2,220 | 3,271 | 3,089 | 182 |
| Other | 420 | 590 | 420 | 170 |
| Total Regular | 4,736 | 12,431 | 11,093 | 1,338 |
| Adult/Continuing: | | | | |
| Salaries and Wages | 15,944 | 18,000 | 17,888 | 112 |
| Fringe Benefits | 0 | 2,871 | 2,850 | 21 |
| Capital Outlay - New | 951 | 5,947 | 5,736 | 211 |
| Other | 1,538 | 1,288 | 871 | 417 |
| Total Adult/Continuing | 18,433 | 28,106 | 27,345 | 761 |
| Total Instruction | 23,169 | 40,537 | 38,438 | 2,099 |
| Support Services: | | | | |
| Pupil: | | | | |
| Materials and Supplies | 0 | 100 | 98 | 2 |
| Instructional Staff: | | | | |
| Salaries and Wages | 0 | 1,000 | 0 | 1,000 |
| Purchased Services | 0 | 8 | 0 | 8 |
| Materials and Supplies | 0 | 547 | 0 | 547 |
| Total Instructional Staff | 0 | 1,555 | 0 | 1,555 |
| Total Support Services | \$0 | \$1,655 | \$98 | \$1,557 |

(continued)

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

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

Other Grants Fund (continued)

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | Actual | |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Salaries and Wages | \$28,001 | \$49,781 | \$49,775 | \$6 |
| Fringe Benefits | 11,516 | 12,473 | 11,745 | 728 |
| Purchased Services | 10,354 | 10,354 | 4,957 | 5,397 |
| Materials and Supplies | 5,811 | 5,810 | 4,473 | 1,337 |
| Capital Outlay - Replacement | 500 | 500 | 0 | 500 |
| Other | 16,334 | 13,902 | 0 | 13,902 |
| Total Operation of Non-Instructional Services: | 72,516 | 92,820 | 70,950 | 21,870 |
| <i>Total Expenditures</i> | 95,685 | 135,012 | 109,486 | 25,526 |
| <i>Excess of Revenues Under Expenditures</i> | (15,685) | (78,127) | (53,646) | 24,481 |
| Other Financing Sources | | | | |
| Transfers In | 25,000 | 25,000 | 25,000 | 0 |
| <i>Net Change in Fund Balance</i> | 9,315 | (53,127) | (28,646) | 24,481 |
| <i>Fund Balance Beginning of Year</i> | 89,681 | 89,681 | 89,681 | 0 |
| Prior Year Encumbrances Appropriated | 1,731 | 1,731 | 1,731 | 0 |
| <i>Fund Balance End of Year</i> | \$100,727 | \$38,285 | \$62,766 | \$24,481 |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Child Care Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | | Variance with Final Budget Favorable (Unfavorable) |
|---|------------------|-----------------|-----------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Tuition and Fees | \$616,000 | \$502,515 | \$472,262 | (\$30,253) |
| Contributions and Donations | 29,000 | 29,000 | 19,031 | (9,969) |
| <i>Total Revenues</i> | <u>645,000</u> | <u>531,515</u> | <u>491,293</u> | <u>(40,222)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupil: | | | | |
| Purchased Services | 675 | 0 | 0 | 0 |
| Child Care Operations | | | | |
| Salaries and Wages | 402,100 | 353,214 | 353,140 | 74 |
| Fringe Benefits | 122,095 | 106,710 | 104,595 | 2,115 |
| Purchased Services | 87,564 | 61,909 | 35,083 | 26,826 |
| Materials and Supplies | 19,747 | 19,747 | 11,716 | 8,031 |
| Capital Outlay - New | 6,960 | 7,560 | 6,894 | 666 |
| Other | 5,000 | 0 | 0 | 0 |
| Total Child Care Operations | <u>643,466</u> | <u>549,140</u> | <u>511,428</u> | <u>37,712</u> |
| <i>Total Expenditures</i> | <u>644,141</u> | <u>549,140</u> | <u>511,428</u> | <u>37,712</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>859</u> | <u>(17,625)</u> | <u>(20,135)</u> | <u>(2,510)</u> |
| Other Financing Sources (Uses) | | | | |
| Advances In | 5,000 | 5,000 | 35,000 | 30,000 |
| Advances Out | (5,000) | 0 | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>5,000</u> | <u>35,000</u> | <u>30,000</u> |
| <i>Net Change in Fund Balance</i> | 859 | (12,625) | 14,865 | 27,490 |
| <i>Fund Balance (Deficit) Beginning of Year</i> | (2,471) | (2,471) | (2,471) | 0 |
| Prior Year Encumbrances Appropriated | 15,096 | 15,096 | 15,096 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$13,484</u> | <u>\$0</u> | <u>\$27,490</u> | <u>27,490</u> |

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

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

Athletics Fund

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$3,400 | \$3,400 | \$1,509 | (\$1,891) |
| Extracurricular Activities | 198,600 | 198,600 | 227,984 | 29,384 |
| Contributions and Donations | 20,000 | 20,000 | 2,050 | (17,950) |
| Miscellaneous | 60,000 | 60,000 | 7,000 | (53,000) |
| <i>Total Revenues</i> | <u>282,000</u> | <u>282,000</u> | <u>238,543</u> | <u>(43,457)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Extracurricular Activities: | | | | |
| Sports Oriented Activities: | | | | |
| Purchased Services | 122,274 | 112,341 | 105,098 | 7,243 |
| Materials and Supplies | 26,024 | 24,954 | 16,770 | 8,184 |
| Capital Outlay - New | 109,678 | 115,031 | 81,053 | 33,978 |
| Other | 126,352 | 120,002 | 104,608 | 15,394 |
| <i>Total Expenditures</i> | <u>384,328</u> | <u>372,328</u> | <u>307,529</u> | <u>64,799</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(102,328)</u> | <u>(90,328)</u> | <u>(68,986)</u> | <u>21,342</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 6,000 | 6,000 | 0 | (6,000) |
| Transfers Out | 2,000 | (10,000) | 0 | 10,000 |
| <i>Total Other Financing Sources (Uses)</i> | <u>8,000</u> | <u>(4,000)</u> | <u>0</u> | <u>4,000</u> |
| <i>Net Change in Fund Balance</i> | <u>(94,328)</u> | <u>(94,328)</u> | <u>(68,986)</u> | <u>25,342</u> |
| <i>Fund Balance Beginning of Year</i> | 100,954 | 100,954 | 100,954 | 0 |
| Prior Year Encumbrances Appropriated | 28,427 | 28,427 | 28,427 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$35,053</u> | <u>\$35,053</u> | <u>\$60,395</u> | <u>\$25,342</u> |

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

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

Auxiliary Services Fund

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$258,400 | \$277,182 | \$277,182 | \$0 |
| Interest | 3,600 | 3,600 | 3,138 | (462) |
| <i>Total Revenues</i> | <u>262,000</u> | <u>280,782</u> | <u>280,320</u> | <u>(462)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Operation of Non-Instructional Services: | | | | |
| Other Operation of Non-Instructional Services: | | | | |
| Purchased Services | 27,738 | 116,009 | 115,592 | 417 |
| Materials and Supplies | 286,078 | 188,026 | 188,026 | 0 |
| Capital Outlay - New | 4,470 | 47,663 | 47,663 | 0 |
| <i>Total Expenditures</i> | <u>318,286</u> | <u>351,698</u> | <u>351,281</u> | <u>417</u> |
| <i>Net Change in Fund Balance</i> | (56,286) | (70,916) | (70,961) | (45) |
| <i>Fund Balance Beginning of Year</i> | 62,042 | 62,042 | 62,042 | 0 |
| Prior Year Encumbrances Appropriated | 9,286 | 9,286 | 9,286 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$15,042</u> | <u>\$412</u> | <u>\$367</u> | <u>(\$45)</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|---------------|-----------------|---|
| | Original | Final | | |
| Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Salaries and Wages | 2,335 | 2,335 | 547 | 1,788 |
| Fringe Benefits | 1,493 | 1,493 | 76 | 1,417 |
| Purchased Services | 6,634 | 6,634 | 0 | 6,634 |
| Materials and Supplies | 2,944 | 2,944 | 0 | 2,944 |
| Capital Outlay - New | 99 | 99 | 99 | 0 |
| <i>Total Expenditures</i> | <u>13,505</u> | <u>13,505</u> | <u>722</u> | <u>12,783</u> |
| <i>Net Change in Fund Balance</i> | (13,505) | (13,505) | (722) | 12,783 |
| <i>Fund Balance Beginning of Year</i> | <u>13,505</u> | <u>13,505</u> | <u>13,505</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$12,783</u> | <u>\$12,783</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$16,001 | \$16,511 | \$16,511 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupil: | | | | |
| Salaries and Wages | 18,218 | 8,741 | 0 | 8,741 |
| Purchased Services | 2,276 | 6,294 | 4,927 | 1,367 |
| Materials and Supplies | 53 | 6,022 | 4,779 | 1,243 |
| Capital Outlay - New | 1,751 | 1,751 | 1,751 | 0 |
| <i>Total Expenditures</i> | <u>22,298</u> | <u>22,808</u> | <u>11,457</u> | <u>11,351</u> |
| <i>Net Change in Fund Balance</i> | (6,297) | (6,297) | 5,054 | 11,351 |
| <i>Fund Balance Beginning of Year</i> | 2,494 | 2,494 | 2,494 | 0 |
| Prior Year Encumbrances Appropriated | <u>3,803</u> | <u>3,803</u> | <u>3,803</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$11,351</u> | <u>\$11,351</u> |

Brecksville-Broadview Heights City School District

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

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------|----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Intergovernmental | \$8,000 | \$21,000 | \$21,000 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Capital Outlay - New | 7,000 | 7,000 | 5,940 | 1,060 |
| Support Services: | | | | |
| Operation and Maintenance of Plant: | | | | |
| Purchased Services | 0 | 21,000 | 21,000 | 0 |
| <i>Total Expenditures</i> | 7,000 | 28,000 | 26,940 | 1,060 |
| <i>Net Change in Fund Balance</i> | 1,000 | (7,000) | (5,940) | 1,060 |
| <i>Fund Balance Beginning of Year</i> | 7,000 | 7,000 | 7,000 | 0 |
| <i>Fund Balance End of Year</i> | \$8,000 | \$0 | \$1,060 | \$1,060 |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$4,000 | \$4,600 | \$4,600 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Salaries and Wages | 4,650 | 0 | 0 | 0 |
| Purchased Services | 742 | 5,514 | 5,514 | 0 |
| Materials and Supplies | 1,705 | 1,583 | 1,583 | 0 |
| <i>Total Expenditures</i> | <u>7,097</u> | <u>7,097</u> | <u>7,097</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (3,097) | (2,497) | (2,497) | 0 |
| <i>Fund Balance Beginning of Year</i> | <u>7,097</u> | <u>7,097</u> | <u>7,097</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$4,000</u></u> | <u><u>\$4,600</u></u> | <u><u>\$4,600</u></u> | <u><u>\$0</u></u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbook Subsidy Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|---------|---------|---|
| | Original | Final | | |
| Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Materials and Supplies | 2,444 | 2,444 | 2,444 | 0 |
| <i>Net Change in Fund Balance</i> | (2,444) | (2,444) | (2,444) | 0 |
| <i>Fund Balance Beginning of Year</i> | 2,444 | 2,444 | 2,444 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$0 | \$0 |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Classroom Grant Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---------------------------------------|------------------|----------------|----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$32,000 | \$36,000 | \$36,000 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 17,000 | 18,140 | 16,510 | 1,630 |
| Purchased Services | 0 | 122 | 111 | 11 |
| Materials and Supplies | 9,449 | 12,304 | 12,094 | 210 |
| Capital Outlay - New | 0 | 2 | 0 | 2 |
| Total Instruction | 26,449 | 30,568 | 28,715 | 1,853 |
| Support Services: | | | | |
| Pupil: | | | | |
| Salaries and Wages | 2,000 | 0 | 0 | 0 |
| Purchased Services | 380 | 218 | 218 | 0 |
| Total Pupil | 2,380 | 218 | 218 | 0 |
| Instructional Staff: | | | | |
| Salaries and Wages | 0 | 3,000 | 3,000 | 0 |
| Purchased Services | 0 | 4,235 | 4,235 | 0 |
| Materials and Supplies | 0 | 96 | 96 | 0 |
| Total Instructional Staff | 0 | 7,331 | 7,331 | 0 |
| Administration: | | | | |
| Salaries and Wages | 6,000 | 4,000 | 4,000 | 0 |
| Total Support Services | 8,380 | 11,549 | 11,549 | 0 |
| Total Expenditures | 34,829 | 42,117 | 40,264 | 1,853 |
| Net Change in Fund Balance | (2,829) | (6,117) | (4,264) | (1,853) |
| Fund Balance Beginning of Year | 5,809 | 5,809 | 5,809 | 0 |
| Prior Year Encumbrances Appropriated | 308 | 308 | 308 | 0 |
| Fund Balance End of Year | \$3,288 | \$0 | \$1,853 | (\$1,853) |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Intervention Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-------|--------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$1,000 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Capital Outlay - New | 257 | 257 | 0 | 257 |
| <i>Net Change in Fund Balance</i> | 743 | (257) | 0 | 257 |
| <i>Fund Balance Beginning of Year</i> | 257 | 257 | 257 | 0 |
| <i>Fund Balance End of Year</i> | \$1,000 | \$0 | \$257 | \$257 |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Level Teachers Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Intergovernmental | \$4,100 | \$4,000 | \$4,000 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Salaries and Wages | 1,500 | 1,500 | 0 | 1,500 |
| Fringe Benefits | 1,500 | 1,500 | 0 | 1,500 |
| <i>Total Expenditures</i> | <u>3,000</u> | <u>3,000</u> | <u>0</u> | <u>3,000</u> |
| <i>Net Change in Fund Balance</i> | 1,100 | 1,000 | 4,000 | 3,000 |
| <i>Fund Balance Beginning of Year</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$1,100</u> | <u>\$1,000</u> | <u>\$4,000</u> | <u>\$3,000</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Safe School Help Line Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------|----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$3,815 | \$3,815 | \$3,815 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Central: | | | | |
| Purchased Services | 7,929 | 7,929 | 4,114 | 3,815 |
| <i>Net Change in Fund Balance</i> | (4,114) | (4,114) | (299) | 3,815 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 | 0 |
| Prior Year Encumbrances Appropriated | 4,114 | 4,114 | 4,114 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$3,815</u> | <u>\$3,815</u> |

Brecksville-Broadview Heights City School District

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

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | | Variance with |
|---|------------------|------------------|------------------|--|
| | Original | Final | Actual | Final Budget Positive (Negative) |
| Revenues | | | | |
| Intergovernmental | \$371,294 | \$371,294 | \$364,706 | (\$6,588) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special: | | | | |
| Purchased Services | 128,027 | 144,751 | 144,710 | 41 |
| Materials and Supplies | 31,367 | 37,366 | 37,360 | 6 |
| Capital Outlay - New | 13,356 | 13,356 | 13,305 | 51 |
| Capital Outlay - Replacement | 1,869 | 1,870 | 1,870 | 0 |
| Total Instruction | 174,619 | 197,343 | 197,245 | 98 |
| Support Services: | | | | |
| Pupil: | | | | |
| Salaries and Wages | 1,382 | 1,382 | 1,382 | 0 |
| Fringe Benefits | 17 | 17 | 17 | 0 |
| Purchased Services | 25,839 | 27,179 | 27,170 | 9 |
| Materials and Supplies | 15,692 | 15,692 | 15,692 | 0 |
| Capital Outlay - New | 20,781 | 20,781 | 20,781 | 0 |
| Total Pupil | 63,711 | 65,051 | 65,042 | 9 |
| Instructional Staff: | | | | |
| Salaries and Wages | 80,721 | 77,933 | 77,933 | 0 |
| Fringe Benefits | 57,461 | 57,461 | 57,461 | 0 |
| Purchased Services | 1,310 | 1,310 | 1,310 | 0 |
| Materials and Supplies | 1,728 | 1,728 | 1,728 | 0 |
| Capital Outlay - New | 14,718 | 14,718 | 14,718 | 0 |
| Capital Outlay - Replacement | 6,680 | 6,680 | 6,663 | 17 |
| Total Instructional Staff | 162,618 | 159,830 | 159,813 | 17 |
| Total Support Services | 226,329 | 224,881 | 224,855 | 26 |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Salaries and Wages | 15,397 | 11,385 | 11,385 | 0 |
| Fringe Benefits | 3,434 | 2,895 | 2,895 | 0 |
| Materials and Supplies | 778 | 777 | 776 | 1 |
| Total Operation of Non-Instructional Services | 19,609 | 15,057 | 15,056 | 1 |
| Total Expenditures | \$420,557 | \$437,281 | \$437,156 | \$125 |

(continued)

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| <i>Net Change in Fund Balance</i> | (49,263) | (65,987) | (72,450) | (6,463) |
| <i>Fund Balance Beginning of Year</i> | 34,744 | 34,744 | 34,744 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>31,244</u> | <u>31,244</u> | <u>31,244</u> | <u>0</u> |
| <i>Fund Balance (Deficit) End of Year</i> | <u>\$16,725</u> | <u>\$1</u> | <u>(\$6,462)</u> | <u>(\$6,463)</u> |

Brecksville-Broadview Heights City School District

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2003*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$18,000 | \$37,570 | \$37,570 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 9,462 | 24,694 | 24,694 | 0 |
| Materials and Supplies | 8,538 | 3,376 | 3,376 | 0 |
| Capital Outlay - New | 0 | 6,800 | 6,800 | 0 |
| Total Instruction | 18,000 | 34,870 | 34,870 | 0 |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Materials and Supplies | 0 | 1,200 | 1,200 | 0 |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Salaries and Wages | 0 | 600 | 600 | 0 |
| Purchased Services | 0 | 700 | 700 | 0 |
| Materials and Supplies | 0 | 200 | 200 | 0 |
| Total Operation of Non-Instructional Services | 0 | 1,500 | 1,500 | 0 |
| <i>Total Expenditures</i> | 18,000 | 37,570 | 37,570 | 0 |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 | 0 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$0 | \$0 |

Brecksville-Broadview Heights City School District

Schedule of Revenues, Expenditures and Changes

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

Title I Fund

For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$72,114 | \$72,114 | \$69,951 | (\$2,163) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special: | | | | |
| Salaries and Wages | 55,200 | 57,448 | 57,448 | 0 |
| Fringe Benefits | 8,206 | 8,051 | 8,051 | 0 |
| Purchased Services | 5,231 | 4,231 | 2,776 | 1,455 |
| Materials and Supplies | 1,045 | 845 | 845 | 0 |
| Capital Outlay - New | 2,009 | 1,924 | 1,432 | 492 |
| Total Instruction | 71,691 | 72,499 | 70,552 | 1,947 |
| Support Services: | | | | |
| Administration: | | | | |
| Salaries and Wages | 0 | 1,000 | 1,000 | 0 |
| Fringe Benefits | 0 | 155 | 0 | 155 |
| Total Support Services | 0 | 1,155 | 1,000 | 155 |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Materials and Supplies | 0 | 200 | 0 | 200 |
| <i>Total Expenditures</i> | 71,691 | 73,854 | 71,552 | 2,302 |
| <i>Net Change in Fund Balance</i> | 423 | (1,740) | (1,601) | 139 |
| <i>Fund Balance Beginning of Year</i> | 1,740 | 1,740 | 1,740 | 0 |
| <i>Fund Balance End of Year</i> | \$2,163 | \$0 | \$139 | \$139 |

Brecksville-Broadview Heights City School District

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

For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Intergovernmental | <u>\$43,546</u> | <u>\$43,546</u> | <u>\$28,328</u> | <u>(\$15,218)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 35,960 | 35,960 | 28,586 | 7,374 |
| Materials and Supplies | <u>3,610</u> | <u>3,610</u> | <u>0</u> | <u>3,610</u> |
| Total Instruction | <u>39,570</u> | <u>39,570</u> | <u>28,586</u> | <u>10,984</u> |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Purchased Services | 2,974 | 2,974 | 0 | 2,974 |
| Materials and Supplies | <u>2,262</u> | <u>2,262</u> | <u>0</u> | <u>2,262</u> |
| Total Operation of Non-Instructional Services: | <u>5,236</u> | <u>5,236</u> | <u>0</u> | <u>5,236</u> |
| <i>Total Expenditures</i> | <u>44,806</u> | <u>44,806</u> | <u>28,586</u> | <u>16,220</u> |
| <i>Net Change in Fund Balance</i> | (1,260) | (1,260) | (258) | 1,002 |
| <i>Fund Balance Beginning of Year</i> | <u>1,260</u> | <u>1,260</u> | <u>1,260</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$1,002</u> | <u>\$1,002</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Immigration Education Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Materials and Supplies | <u>5,500</u> | <u>5,500</u> | <u>5,500</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (5,500) | (5,500) | (5,500) | 0 |
| <i>Fund Balance Beginning of Year</i> | <u>5,500</u> | <u>5,500</u> | <u>5,500</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$26,153 | \$26,153 | \$25,393 | (\$760) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Materials and Supplies | 1,962 | 1,962 | 1,960 | 2 |
| Support Services: | | | | |
| Administration: | | | | |
| Salaries and Wages | 23,230 | 23,230 | 23,230 | 0 |
| Fringe Benefits | 1,455 | 1,455 | 1,455 | 0 |
| Total Support Services | 24,685 | 24,685 | 24,685 | 0 |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Purchased Services | 1,329 | 1,329 | 0 | 1,329 |
| <i>Total Expenditures</i> | 27,976 | 27,976 | 26,645 | 1,331 |
| <i>Net Change in Fund Balance</i> | (1,823) | (1,823) | (1,252) | 571 |
| <i>Fund Balance Beginning of Year</i> | 1,823 | 1,823 | 1,823 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$571 | \$571 |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Pre-School Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$19,502 | \$19,502 | \$19,502 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupil: | | | | |
| Salaries and Wages | 19,502 | 14,766 | 14,766 | 0 |
| Fringe Benefits | 0 | 4,026 | 4,026 | 0 |
| Purchased Services | 0 | 710 | 710 | 0 |
| <i>Total Expenditures</i> | <u>19,502</u> | <u>19,502</u> | <u>19,502</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 | 0 |
| <i>Fund Balance Beginning of Year</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$70,338 | \$70,338 | \$60,643 | (\$9,695) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 50,402 | 50,300 | 50,300 | 0 |
| Fringe Benefits | 13,544 | 13,646 | 13,545 | 101 |
| Purchased Services | 1,888 | 1,888 | 1,475 | 413 |
| Materials and Supplies | 3,000 | 3,000 | 1,523 | 1,477 |
| Capital Outlay - New | 5,783 | 5,783 | 783 | 5,000 |
| Total Instruction | 74,617 | 74,617 | 67,626 | 6,991 |
| Support Services: | | | | |
| Pupil: | | | | |
| Salaries and Wages | 0 | 1,147 | 0 | 1,147 |
| Fringe Benefits | 0 | 420 | 0 | 420 |
| Purchased Services | 1,119 | 2,247 | 145 | 2,102 |
| Materials and Supplies | 2,843 | 2,823 | 2,559 | 264 |
| Capital Outlay - New | 2,500 | 2,500 | 2,500 | 0 |
| Total Pupil | 6,462 | 9,137 | 5,204 | 3,933 |
| Instructional Staff: | | | | |
| Purchased Services | 3,000 | 3,000 | 0 | 3,000 |
| Capital Outlay - New | 301 | 301 | 301 | 0 |
| Total Instructional Staff | 3,301 | 3,301 | 301 | 3,000 |
| Total Support Services | 9,763 | 12,438 | 5,505 | 6,933 |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Purchased Services | 1,530 | 1,530 | 0 | 1,530 |
| <i>Total Expenditures</i> | 85,910 | 88,585 | 73,131 | 15,454 |
| <i>Net Change in Fund Balance</i> | (15,572) | (18,247) | (12,488) | 5,759 |
| <i>Fund Balance Beginning of Year</i> | 17,727 | 17,727 | 17,727 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 521 | 521 | 521 | 0 |
| <i>Fund Balance End of Year</i> | \$2,676 | \$1 | \$5,760 | \$5,759 |

Brecksville-Broadview Heights City School District

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Assistive Technology Fund
For the Fiscal Year Ended June 30, 2003*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------|--------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$13,519 | \$13,519 | \$13,519 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Capital Outlay - New | 14,508 | 16,449 | 16,110 | 339 |
| <i>Net Change in Fund Balance</i> | (989) | (2,930) | (2,591) | 339 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 2,930 | 2,930 | 2,930 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$1,941</u> | <u>\$0</u> | <u>\$339</u> | <u>\$339</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-D Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|---------|---------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$1,915 | \$1,915 | \$1,915 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Salaries and Wages | 1,915 | 0 | 0 | 0 |
| Purchased Services | 0 | 1,500 | 0 | 1,500 |
| Materials and Supplies | 0 | 415 | 0 | 415 |
| | 1,915 | 1,915 | 0 | 1,915 |
| <i>Total Expenditures</i> | | | | |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 1,915 | 1,915 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$1,915 | \$1,915 |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Taxes | \$652,437 | \$646,864 | \$653,785 | \$6,921 |
| Intergovernmental | 78,667 | 83,532 | 83,532 | 0 |
| <i>Total Revenues</i> | <u>731,104</u> | <u>730,396</u> | <u>737,317</u> | <u>6,921</u> |
| Expenditures | | | | |
| Current: | | | | |
| Pupil Transportation: | | | | |
| Purchased Services | 90,984 | 90,859 | 87,878 | 2,981 |
| Capital Outlay: | | | | |
| Facilities Acquisition and Construction Services: | | | | |
| Site Acquisition Services: | | | | |
| Purchased Services | 0 | 400,000 | 15,000 | 385,000 |
| Site Improvement Services: | | | | |
| Purchased Services | 209,257 | 209,382 | 207,350 | 2,032 |
| Capital Outlay - New | 1,089,877 | 689,877 | 632,400 | 57,477 |
| Total Capital Outlay | <u>1,299,134</u> | <u>1,299,259</u> | <u>854,750</u> | <u>444,509</u> |
| <i>Total Expenditures</i> | <u>1,390,118</u> | <u>1,390,118</u> | <u>942,628</u> | <u>447,490</u> |
| <i>Net Change in Fund Balance</i> | (659,014) | (659,722) | (205,311) | 454,411 |
| <i>Fund Balance Beginning of Year</i> | 193,687 | 193,687 | 193,687 | 0 |
| Prior Year Encumbrances Appropriated | 520,118 | 520,118 | 520,118 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$54,791</u> | <u>\$54,083</u> | <u>\$508,494</u> | <u>\$454,411</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Favorable (Unfavorable) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Facilities Acquisition and Construction Services: | | | | |
| Site Improvement Services: | | | | |
| Purchased Services | 1,270,000 | 1,270,000 | 1,270,000 | 0 |
| Building Improvement Services: | | | | |
| Capital Outlay - New | <u>158,462</u> | <u>158,462</u> | <u>120,686</u> | <u>37,776</u> |
| <i>Total Expenditures</i> | <u>1,428,462</u> | <u>1,428,462</u> | <u>1,390,686</u> | <u>37,776</u> |
| <i>Net Change in Fund Balance</i> | (1,428,462) | (1,428,462) | (1,390,686) | 37,776 |
| <i>Fund Balance Beginning of Year</i> | 37,776 | 37,776 | 37,776 | 0 |
| Prior Year Encumbrances Appropriated | <u>1,390,686</u> | <u>1,390,686</u> | <u>1,390,686</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$37,776</u> | <u>\$37,776</u> |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$62,409 | \$62,409 | \$62,409 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Purchased Services | 0 | 36,000 | 36,000 | 0 |
| Materials and Supplies | 18,000 | 0 | 0 | 0 |
| Capital Outlay - New | 65,036 | 59,659 | 59,659 | 0 |
| Other | 2,750 | 2,750 | 2,750 | 0 |
| <i>Total Expenditures</i> | 85,786 | 98,409 | 98,409 | 0 |
| <i>Net Change in Fund Balance</i> | (23,377) | (36,000) | (36,000) | 0 |
| <i>Fund Balance Beginning of Year</i> | 36,000 | 36,000 | 36,000 | 0 |
| <i>Fund Balance End of Year</i> | \$12,623 | \$0 | \$0 | \$0 |

Brecksville-Broadview Heights City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Employee Benefits Self-Insurance Fund
For the Fiscal Year Ended June 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------------|---------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Charges for Services | <u>\$1,500,000</u> | <u>\$600,000</u> | <u>\$551,115</u> | <u>(\$48,885)</u> |
| Expenses | | | | |
| Purchased Services | 37,425 | 37,425 | 29,264 | 8,161 |
| Claims | <u>562,935</u> | <u>562,935</u> | <u>562,935</u> | <u>0</u> |
| <i>Total Expenses</i> | <u>600,360</u> | <u>600,360</u> | <u>592,199</u> | <u>8,161</u> |
| <i>Net Change in Fund Equity</i> | 899,640 | (360) | (41,084) | (40,724) |
| <i>Fund Equity Beginning of Year</i> | 499,198 | 499,198 | 499,198 | 0 |
| Prior Year Encumbrances Appropriated | <u>360</u> | <u>360</u> | <u>360</u> | <u>0</u> |
| <i>Fund Equity End of Year</i> | <u><u>\$1,399,198</u></u> | <u><u>\$499,198</u></u> | <u><u>\$458,474</u></u> | <u><u>(\$40,724)</u></u> |

Statistical Section

Brecksville-Broadview Heights City School District

Governmental Activities

Revenues by Source and Expenses by Function

Last Three Fiscal Years

| | <u>2003</u> | <u>2002</u> | <u>2001</u> |
|---|----------------------------|----------------------------|----------------------------|
| Program Revenues | | | |
| Charges for Services | \$2,772,830 | \$2,800,248 | \$2,347,802 |
| Operating Grants and Contributions | 1,299,682 | 1,144,754 | 1,131,802 |
| Capital Grants and Contributions | 224,081 | 61,371 | 121,323 |
| General Revenues | | | |
| Taxes | 28,402,224 | 32,748,425 | 27,496,045 |
| Intergovernmental | 9,194,466 | 7,922,678 | 5,850,420 |
| Payment in Lieu of Taxes | 41,722 | 24,660 | 44,160 |
| Interest | 188,124 | 244,346 | 503,744 |
| Miscellaneous | 17,846 | 14,660 | 229,568 |
| <i>Total</i> | <u><u>\$42,140,975</u></u> | <u><u>\$44,961,142</u></u> | <u><u>\$37,724,864</u></u> |
| Expenses | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | \$18,461,540 | \$16,903,565 | \$16,903,574 |
| Special | 3,822,794 | 3,300,946 | 2,668,254 |
| Vocational | 361,761 | 356,858 | 323,441 |
| Adult/Continuing | 28,314 | 21,927 | 23,088 |
| Support Services: | | | |
| Pupil | 2,552,380 | 2,673,608 | 2,791,267 |
| Instructional Staff | 1,715,541 | 1,329,824 | 884,751 |
| Board of Education | 99,981 | 62,454 | 45,699 |
| Administration | 3,027,354 | 2,478,274 | 2,307,960 |
| Fiscal | 723,931 | 724,740 | 664,678 |
| Business | 271,185 | 324,061 | 390,817 |
| Operation and Maintenance of Plant | 4,507,956 | 3,831,495 | 3,698,845 |
| Pupil Transportation | 2,707,920 | 2,385,949 | 2,340,057 |
| Central | 203,997 | 229,345 | 221,233 |
| Operation of Non-Instructional Services | 432,703 | 416,929 | 362,451 |
| Food Service Operations | 1,325,944 | 1,282,200 | 1,341,004 |
| Child Care Operations | 476,648 | 518,821 | 389,644 |
| Extracurricular Activities | 1,019,536 | 881,596 | 758,512 |
| Debt Service: | | | |
| Interest and Fiscal Charges | 2,034,073 | 2,056,706 | 2,012,299 |
| <i>Total</i> | <u><u>\$43,773,558</u></u> | <u><u>\$39,779,298</u></u> | <u><u>\$38,127,574</u></u> |

Source: School District Financial Records

Brecksville-Broadview Heights City School District
General Governmental
Revenues by Source and Expenditures by Function (1)
Last Ten Fiscal Years

| | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Revenues | | | | |
| Taxes | \$28,117,547 | \$32,549,500 | \$26,671,090 | \$24,398,113 |
| Intergovernmental | 10,538,112 | 8,982,940 | 6,946,040 | 6,430,236 |
| Interest | 191,262 | 246,517 | 511,797 | 454,441 |
| Tuition and Fees | 856,890 | 786,284 | 546,771 | 366,394 |
| Extracurricular Activities | 270,674 | 245,655 | 275,868 | 413,092 |
| Payment in Lieu of Taxes | 41,722 | 24,660 | 44,160 | 0 |
| Rentals | 44,618 | 38,909 | 98,413 | 0 |
| Charges for Services | 1,566,467 | 1,492,371 | 1,453,646 | 0 |
| Contributions and Donations | 176,979 | 96,457 | 208,002 | 0 |
| Miscellaneous | 17,249 | 74,995 | 265,806 | 367,074 |
| <i>Total</i> | <u>\$41,821,520</u> | <u>\$44,538,288</u> | <u>\$37,021,593</u> | <u>\$32,429,350</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | \$17,519,887 | \$16,144,367 | \$15,761,853 | \$14,847,771 |
| Special | 3,730,877 | 3,285,107 | 2,599,159 | 1,830,445 |
| Vocational | 382,504 | 337,506 | 306,279 | 285,678 |
| Adult/Continuing | 0 | 21,927 | 23,088 | 153,640 |
| Support Services: | | | | |
| Pupil | 2,487,696 | 2,620,258 | 2,678,048 | 2,401,572 |
| Instructional Staff | 1,625,195 | 1,279,271 | 775,772 | 901,350 |
| Board of Education | 130,941 | 62,622 | 45,531 | 58,886 |
| Administration | 2,848,834 | 2,350,244 | 2,267,178 | 2,257,366 |
| Fiscal | 704,571 | 727,577 | 645,979 | 665,498 |
| Business | 428,160 | 291,828 | 357,771 | 324,870 |
| Operation and Maintenance of Plant | 4,211,621 | 4,102,258 | 3,513,466 | 3,391,522 |
| Pupil Transportation | 2,836,079 | 2,505,392 | 2,316,913 | 2,382,284 |
| Central | 197,379 | 236,431 | 219,536 | 217,348 |
| Operation of Non-Instructional Services | 428,679 | 346,551 | 360,359 | 307,636 |
| Food Service Operations | 1,242,088 | 1,241,406 | 1,164,510 | 0 |
| Child Care Operations | 487,164 | 508,031 | 377,731 | 0 |
| Extracurricular Activities | 978,237 | 869,195 | 742,315 | 654,042 |
| Capital Outlay | 2,089,834 | 917,053 | 359,737 | 818,408 |
| Debt Service: | | | | |
| Principal Retirement | 1,042,935 | 934,266 | 950,000 | 1,240,000 |
| Interest and Fiscal Charges | 2,038,286 | 2,056,191 | 2,016,292 | 2,030,966 |
| <i>Total</i> | <u>\$45,410,967</u> | <u>\$40,837,481</u> | <u>\$37,481,517</u> | <u>\$34,769,282</u> |

Source: School District Financial Records

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

(2) Fiscal years 2003-1996 are reported on the GAAP basis; all other fiscal years are reported on the Cash basis.

| <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> | <u>1994</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$26,050,685 | \$23,332,631 | \$20,370,327 | \$20,255,162 | \$17,498,072 | \$15,419,990 |
| 6,147,132 | 5,128,466 | 4,621,579 | 4,852,064 | 4,145,041 | 4,013,114 |
| 373,505 | 363,367 | 3,148,088 | 2,078,035 | 1,048,345 | 139,197 |
| 95,736 | 112,614 | 23,532 | 1,582 | 4,384 | 135,861 |
| 248,472 | 364,427 | 222,993 | 206,230 | 222,393 | 10,504 |
| 322,664 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 168,174 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 398,590 | 256,363 | 258,776 | 230,222 | 91,214 |
| <u>\$33,238,194</u> | <u>\$29,700,095</u> | <u>\$28,642,882</u> | <u>\$27,651,849</u> | <u>\$23,148,457</u> | <u>\$19,978,054</u> |
| \$13,738,396 | \$12,035,835 | \$12,819,025 | \$12,016,035 | \$10,956,442 | \$10,319,125 |
| 1,483,534 | 1,402,504 | 1,120,039 | 1,102,370 | 994,548 | 1,085,890 |
| 264,900 | 242,288 | 273,109 | 264,052 | 245,455 | 261,668 |
| 265,641 | 391,636 | 284,702 | 405,619 | 19,821 | 3,351 |
| 1,937,366 | 1,577,535 | 1,542,422 | 1,553,503 | 1,427,800 | 1,273,691 |
| 745,164 | 903,507 | 1,100,471 | 1,137,793 | 1,157,045 | 1,044,921 |
| 46,225 | 84,760 | 55,170 | 73,414 | 66,909 | 74,276 |
| 2,048,914 | 1,950,872 | 1,700,515 | 1,651,647 | 1,693,047 | 1,392,464 |
| 673,460 | 579,205 | 550,203 | 527,898 | 461,417 | 447,111 |
| 363,189 | 487,279 | 524,183 | 423,553 | 332,782 | 376,223 |
| 3,390,714 | 3,014,569 | 2,480,056 | 2,249,641 | 2,176,420 | 2,168,798 |
| 2,298,954 | 1,747,938 | 1,671,933 | 1,870,603 | 1,613,390 | 1,329,907 |
| 204,882 | 182,855 | 184,025 | 191,688 | 224,610 | 6,729 |
| 284,622 | 245,314 | 461,023 | 393,178 | 268,266 | 0 |
| 0 | 0 | 0 | 568,726 | 0 | 113,222 |
| 0 | 0 | 0 | 0 | 0 | 67,547 |
| 637,834 | 668,009 | 568,267 | 0 | 556,856 | 492,899 |
| 396,742 | 7,985,972 | 18,123,925 | 7,090,984 | 958,060 | 1,076,041 |
| 840,000 | 720,000 | 36,145,000 | 36,145,000 | 3,173,860 | 802,638 |
| 2,073,649 | 2,110,221 | 4,219,932 | 2,148,319 | 0 | 0 |
| <u>\$31,694,186</u> | <u>\$36,330,299</u> | <u>\$83,824,000</u> | <u>\$69,814,023</u> | <u>\$26,326,728</u> | <u>\$22,336,501</u> |

Brecksville-Broadview Heights City School District

Property Tax Levies and Collections (1)

Last Ten Years

| <u>Collection Year (2)</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Current Tax Collections to Total Tax Levy</u> |
|--------------------------------|---------------------------|------------------------------------|---|
| 2002 | \$36,208,640 | \$33,715,941 | 93.12% |
| 2001 | 31,128,323 | 2,835,074 | 91.07 |
| 2000 | 29,934,084 | 27,627,926 | 92.30 |
| 1999 | 29,636,011 | 27,739,930 | 93.60 |
| 1998 | 28,894,546 | 27,080,369 | 93.72 |
| 1997 | 22,019,657 | 21,488,385 | 97.59 |
| 1996 | 22,097,212 | 21,858,123 | 98.92 |
| 1995 | 21,266,056 | 20,900,226 | 98.28 |
| 1994 | 17,513,382 | 16,562,241 | 94.57 |
| 1993 | 16,269,924 | 15,652,273 | 96.20 |

Source: Office of the Auditor, Cuyahoga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2003 information cannot be presented because all collections have not been made been made by June 30, 2003.

| Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections to Total Tax Levy |
|----------------------------------|--------------------------|---|
| \$797,134 | \$34,513,075 | 95.32% |
| 741,175 | 29,091,049 | 94.36 |
| 641,380 | 28,269,306 | 94.44 |
| 632,850 | 28,372,780 | 95.74 |
| 304,104 | 27,384,473 | 94.77 |
| 248,873 | 21,737,258 | 98.72 |
| 231,282 | 22,089,405 | 99.96 |
| 207,724 | 21,107,950 | 99.26 |
| 226,291 | 16,788,532 | 95.86 |
| 387,976 | 16,040,249 | 98.59 |

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

| Tax Collection Year | Real Estate | | Tangible Personal | |
|---------------------------|-------------------|------------------------------|-------------------|------------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| 2003 | \$812,810,500 | \$2,322,315,714 | \$49,439,385 | \$197,757,540 |
| 2002 | 793,711,110 | 2,267,746,029 | 49,828,303 | 199,313,212 |
| 2001 | 768,422,890 | 2,195,493,971 | 46,608,350 | 186,433,400 |
| 2000 | 671,478,900 | 1,918,511,143 | 44,687,211 | 178,748,844 |
| 1999 | 669,640,280 | 1,913,257,943 | 45,155,832 | 180,623,328 |
| 1998 | 643,717,290 | 1,839,192,257 | 48,798,927 | 195,195,708 |
| 1997 | 586,651,020 | 1,676,145,771 | 42,356,858 | 169,427,432 |
| 1996 | 575,607,330 | 1,644,592,371 | 38,667,927 | 154,671,708 |
| 1995 | 559,188,010 | 1,597,680,029 | 33,100,451 | 132,401,804 |
| 1994 | 479,221,750 | 1,369,205,000 | 31,115,843 | 124,463,372 |
| 1993 | 459,763,070 | 1,313,608,771 | 31,921,713 | 122,775,819 |

Source: Office of Auditor, Cuyahoga County, Ohio

| Public Utility | | Total | | |
|----------------|------------------------|----------------|------------------------|--------|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Ratio |
| \$28,750,440 | \$32,670,955 | \$891,000,325 | \$2,552,744,209 | 34.90% |
| 29,120,890 | 33,091,920 | 872,660,303 | 2,500,151,161 | 35.29 |
| 42,472,640 | 48,264,364 | 857,503,880 | 2,430,191,735 | 35.29 |
| 43,701,000 | 49,660,227 | 759,867,111 | 2,146,920,214 | 35.39 |
| 45,155,830 | 51,313,443 | 759,951,942 | 2,145,194,714 | 35.43 |
| 45,276,990 | 51,451,125 | 737,793,207 | 2,085,839,090 | 35.37 |
| 35,988,790 | 40,896,352 | 664,996,668 | 1,886,469,555 | 35.25 |
| 36,708,130 | 41,713,784 | 650,983,387 | 1,840,977,861 | 35.36 |
| 40,985,290 | 46,574,193 | 633,273,751 | 1,776,656,026 | 35.64 |
| 39,545,210 | 44,937,739 | 549,882,803 | 1,538,606,111 | 35.74 |
| 38,481,310 | 43,728,761 | 530,166,093 | 1,480,113,351 | 35.82 |

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

| Collection Year | Brecksville City | Broadview Heights City | Cuyahoga County (and Others) | Cuyahoga Valley Career Center |
|--------------------|---------------------|---------------------------|------------------------------------|----------------------------------|
| 2003 | \$8.80 | \$9.40 | \$17.60 | \$2.00 |
| 2002 | 8.70 | 9.40 | 17.60 | 2.00 |
| 2001 | 8.70 | 9.40 | 17.60 | 2.00 |
| 2000 | 8.70 | 9.40 | 16.70 | 2.00 |
| 1999 | 8.80 | 9.40 | 18.00 | 2.00 |
| 1998 | 8.80 | 9.40 | 18.00 | 2.00 |
| 1997 | 8.80 | 9.40 | 18.00 | 2.00 |
| 1996 | 8.80 | 8.40 | 18.00 | 2.00 |
| 1995 | 8.90 | 6.30 | 18.20 | 2.00 |
| 1994 | 8.90 | 6.30 | 17.80 | 2.00 |

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

| <u>Brecksville- Broadview Heights City School District</u> | <u>Total Brecksville</u> | <u>Total Broadview Heights</u> |
|--|------------------------------|--|
| \$71.50 | \$99.90 | \$100.50 |
| 71.50 | 99.80 | 100.50 |
| 64.80 | 93.10 | 93.80 |
| 65.30 | 92.70 | 93.40 |
| 65.50 | 94.30 | 94.90 |
| 65.50 | 94.30 | 94.90 |
| 58.80 | 87.60 | 88.20 |
| 60.50 | 89.30 | 88.90 |
| 59.90 | 89.00 | 86.40 |
| 55.90 | 84.60 | 82.00 |

Brecksville-Broadview Heights City School District

Ratio of General Obligation Bonded Debt

to Assessed Value and Debt per Capita

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Estimated Population</u> | <u>Assessed Value</u> | <u>General Obligation Bonded Debt</u> | <u>Ratio of General Debt to Assessed Value</u> | <u>General Debt per Capita</u> |
|--------------------|-----------------------------|-----------------------|---------------------------------------|--|--------------------------------|
| 2003 | 30,179 | \$891,000,325 | \$31,836,817 | 3.57% | \$1,055 |
| 2002 | 29,762 | 872,660,303 | 32,804,500 | 3.76 | 1,102 |
| 2001 | 29,349 | 857,503,880 | 33,505,000 | 3.91 | 1,142 |
| 2000 | 28,858 | 759,867,111 | 34,455,000 | 4.53 | 1,194 |
| 1999 | 28,432 | 759,951,942 | 35,370,000 | 4.65 | 1,244 |
| 1998 | 27,078 | 737,793,207 | 36,355,000 | 4.93 | 1,343 |
| 1997 | 26,677 | 664,996,668 | 37,075,000 | 5.58 | 1,390 |
| 1996 | 26,283 | 650,983,387 | 37,220,000 | 5.72 | 1,416 |
| 1995 | 25,895 | 633,273,751 | 37,220,000 | 5.88 | 1,437 |
| 1994 | 25,512 | 549,882,803 | 3,010,000 | 0.55 | 118 |

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

Brecksville-Broadview Heights City School District

Computation of Legal Debt Margin

June 30, 2003

| | |
|--|----------------------|
| Assessed Valuation | <u>\$891,000,325</u> |
| Debt Limit - 9% of Assessed Value (1) | \$80,190,029 |
| Amount of Debt Applicable to Debt Limit | |
| General Obligation Bonds | 31,836,817 |
| Tax Anticipation Note | 1,700,000 |
| Energy Conservation Note | 998,000 |
| Less Amount Available in Debt Service | <u>(2,959,465)</u> |
| Total | 31,575,352 |
| Exemptions: | |
| Tax Anticipation Note | (1,700,000) |
| Energy Conservation Note | <u>(998,000)</u> |
| Amount of Debt Subject to Limit | <u>28,877,352</u> |
| Overall Debt Margin | <u>\$51,312,677</u> |
| Debt Margin - .10% of Assessed Value (1) | \$891,000 |
| Amount of Debt Applicable | <u>0</u> |
| Unvoted Debt Margin | <u>\$891,000</u> |

Source: Cuyahoga County Auditor and School District Financial Records

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

Brecksville-Broadview Heights City School District

Computation of Direct and Overlapping

General Obligation Bonded Debt

June 30, 2003

| | <u>Outstanding Debt</u> | <u>Percentage Applicable to School District</u> | <u>Amount of Direct and Overlapping Debt</u> |
|---|-----------------------------|---|--|
| Direct: | | | |
| Brecksville-Broadview Heights City School District | <u>\$31,836,817</u> | <u>100.00%</u> | <u>\$31,836,817</u> |
| Overlapping: | | | |
| RTA | 136,310,000 | 3.12 | 4,252,872 |
| Cuyahoga County | 200,162,636 | 3.12 | 6,245,074 |
| Brecksville City | 4,874,400 | 59.37 | 2,893,931 |
| Broadview Heights City | 4,270,479 | 39.42 | 1,683,423 |
| North Royalton City | <u>2,291,300</u> | 1.21 | <u>27,725</u> |
| Total Overlapping | <u>347,908,815</u> | | <u>15,103,025</u> |
| Total | <u><u>\$379,745,632</u></u> | | <u><u>\$46,939,842</u></u> |

Source: Office of the Auditor, Cuyahoga County, Ohio

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

| Fiscal Years | Total Principal and Interest (1) | Total General Governmental Expenditures (2) | Ratio of General Obligation Bond Debt Service to Total General Governmental Expenditures |
|-----------------|--|--|--|
| 2003 | \$2,867,509 | \$45,410,967 | 6.31% |
| 2002 | 2,848,299 | 40,837,481 | 6.97 |
| 2001 | 2,966,292 | 37,481,517 | 7.91 |
| 2000 | 3,270,966 | 34,769,282 | 9.41 |
| 1999 | 2,913,649 | 31,694,186 | 9.19 |
| 1998 | 2,830,221 | 36,330,299 | 7.79 |
| 1997 | 40,364,932 | 83,824,000 | 48.15 |
| 1996 | 38,293,319 | 69,814,023 | 54.85 |
| 1995 | 3,173,860 | 26,326,728 | 12.06 |
| 1994 | 802,638 | 22,336,501 | 3.59 |

Source: Office of the Treasurer,
Brecksville-Broadview Heights City School District

- 1) Bond Anticipation Notes (BANs) were issued against the 1994 bond issue. The notes were issued in 1995 and repaid with note proceeds during fiscal year 1996. The 1996 notes were repaid with bond proceeds during fiscal year 1997.
- 2) General governmental expenditures include all governmental fund types expenditures. Fiscal years 1994 through 1995 reported on a cash basis, whereas, 1996 through 2003 reported on a modified accrual basis.

Brecksville-Broadview Heights City School District

Construction, Bank Deposits and Property Values

Last Ten Years

| <u>Tax Year</u> | <u>No. of Building Permits (1)</u> | <u>Value of Building Permits (1)</u> | <u>Cuyahoga County Bank (2) Deposits (in 000's)</u> | <u>Residential and Other Real Estate (3)</u> |
|-----------------|------------------------------------|--------------------------------------|---|--|
| 2002 | 1,168 | \$76,606,087 | \$95,761,917 | \$793,711,110 |
| 2001 | 1,146 | 65,122,014 | 63,893,769 | 768,422,890 |
| 2000 | 1,131 | 68,336,998 | 61,942,764 | 671,478,900 |
| 1999 | 1,764 | 76,778,410 | 57,816,942 | 669,640,280 |
| 1998 | 1,362 | 54,480,000 | 58,904,596 | 643,717,290 |
| 1997 | 1,381 | 63,748,311 | 53,941,971 | 586,651,020 |
| 1996 (4) | 1,305 | 85,985,469 | 27,068,211 | 575,607,330 |
| 1995 | 1,101 | 41,513,748 | 22,458,573 | 559,188,010 |
| 1994 | 1,125 | 48,208,583 | 20,885,453 | 479,221,750 |
| 1993 | 1,046 | 38,194,941 | 21,009,421 | 459,763,070 |

Sources:

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

| Public Utility Tangible (3) | Personal Tangible (3) | Total Assessed Valuation |
|-----------------------------------|--------------------------|--------------------------------|
| \$29,120,890 | \$49,828,303 | \$872,660,303 |
| 42,472,640 | 46,608,350 | 857,503,880 |
| 43,701,000 | 44,687,211 | 759,867,111 |
| 45,155,830 | 45,155,832 | 759,951,942 |
| 45,276,990 | 48,798,927 | 737,793,207 |
| 35,988,790 | 42,356,858 | 664,996,668 |
| 36,708,130 | 38,667,927 | 650,983,387 |
| 40,985,290 | 33,100,451 | 633,273,751 |
| 39,545,210 | 31,115,843 | 549,882,803 |
| 38,481,310 | 31,921,713 | 530,166,093 |

Brecksville-Broadview Heights City School District

Principal Taxpayers

Real Estate Tax

December 31, 2002

| <u>Name of Taxpayer</u> | <u>Assessed Valuation</u> | <u>Percent of Real Assessed Value</u> |
|-----------------------------|-------------------------------|---|
| Ohio Bell | \$8,958,500 | 1.10% |
| PMD Group Co. Inc. | 7,692,300 | 0.95 |
| Grand Bay of Brecksville | 6,806,590 | 0.84 |
| South Hills | 5,195,990 | 0.64 |
| F.C. Vineyards, L.P. | 4,115,620 | 0.51 |
| Treeline Inc. | 3,349,440 | 0.41 |
| Gateway Associates | 3,158,590 | 0.39 |
| Brecksville Land Devl Llc | 2,986,350 | 0.37 |
| CEI | 2,769,660 | 0.34 |
| Stony Run Limited | <u>2,723,460</u> | <u>0.33</u> |
| Totals | <u>\$47,756,500</u> | <u>5.88%</u> |
| Total Real Estate Valuation | <u>\$812,810,500</u> | |

Source: Office of the Auditor, Cuyahoga County, Ohio

Brecksville-Broadview Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 2002

| <u>Name of Taxpayer</u> | <u>Assessed Valuation</u> | <u>Percent of Tangible Assessed Value</u> |
|------------------------------------|-------------------------------|---|
| Ohio Machinery Company | \$8,231,400 | 16.65% |
| Mitech Holding Corporation | 4,785,790 | 9.68 |
| Curtiss Flow Control, Incorporated | 2,543,630 | 5.14 |
| Marathon Oil Company | 1,545,520 | 3.13 |
| FCI USA, Incorporated | 1,406,610 | 2.85 |
| Barnes Group, Incorporated | 1,207,690 | 2.44 |
| Lapine Truck Sales and Equipment | 1,177,930 | 2.38 |
| B.F. Goodrich Company | 1,116,960 | 2.26 |
| Quality Bolt and Screw Company | 961,540 | 1.94 |
| Ferro Corporation | 903,870 | 1.83 |
| Total | <u>\$23,880,940</u> | <u>48.30%</u> |
| Total Tangible Assessed Valuation | <u>\$49,439,385</u> | |

Source: Office of the Auditor, Cuyahoga County, Ohio

Brecksville-Broadview Heights City School District

Principal Taxpayers

Public Utilities Tax

December 31, 2002

| <u>Name of Taxpayer</u> | <u>Assessed Valuation</u> | <u>Percent of Public Utility Assessed Value</u> |
|---|-------------------------------|---|
| Cleveland Electric Illuminating Company | \$16,258,370 | 56.55% |
| Ameritech | 4,412,050 | 15.35 |
| The East Ohio Gas Company | 1,464,100 | 5.09 |
| Quest Communications | 1,054,050 | 3.67 |
| American Transmission System | 1,022,010 | 3.55 |
| Ameritech Advanced | 902,790 | 3.14 |
| AT & T Wireless | 480,700 | 1.66 |
| MCI Communications | 441,700 | 1.54 |
| Alltel Ohio | 327,260 | 1.14 |
| New Par | 317,900 | 1.11 |
| Total | <u>\$26,680,930</u> | <u>92.80%</u> |
| Total Public Utility Valuation | <u>\$28,750,440</u> | |

Source: Office of the Auditor, Cuyahoga County, Ohio

Brecksville-Broadview Heights City School District

Enrollment Statistics

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Elementary Schools</u> | <u>Middle School</u> | <u>High School</u> | <u>Total</u> |
|------------------------|-------------------------------|--------------------------|------------------------|--------------|
| 2003 | 2,011 | 1,099 | 1,455 | 4,565 |
| 2002 | 1,991 | 1,069 | 1,380 | 4,440 |
| 2001 | 1,889 | 1,032 | 1,326 | 4,247 |
| 2000 | 1,787 | 977 | 1,344 | 4,108 |
| 1999 | 1,794 | 917 | 1,338 | 4,049 |
| 1998 (2) | 1,732 | 916 | 1,290 | 3,938 |
| 1997 | 2,050 | 621 | 1,249 | 3,920 |
| 1996 | 1,988 | 597 | 1,162 | 3,747 |
| 1995 | 1,951 | 589 | 1,120 | 3,660 |
| 1994 | 1,940 | 575 | 1,014 | 3,529 |

Source: Brecksville-Broadview Heights City School Records

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

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

Brecksville-Broadview Heights City School District

Per Pupil Cost

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>General Governmental Expenditures (1)</u> | <u>Average Student Enrollment</u> | <u>Per Pupil Cost</u> |
|------------------------|--|---|-------------------------------|
| 2003 | \$42,329,746 | 4,565 | \$9,273 |
| 2002 | 37,847,024 | 4,440 | \$8,524 |
| 2001 | 34,515,225 | 4,247 | 8,127 |
| 2000 | 31,498,316 | 4,108 | 7,668 |
| 1999 | 28,780,537 | 4,049 | 7,108 |
| 1998 | 33,500,078 | 3,938 | 8,507 |
| 1997 | 43,459,068 | 3,920 | 11,086 |
| 1996 | 31,520,704 | 3,747 | 8,412 |
| 1995 | 23,152,868 | 3,660 | 6,326 |
| 1994 | 21,533,863 | 3,529 | 6,102 |

Source: School District Records

(1) Debt Service totals have been excluded.

Brecksville-Broadview Heights City School District

Teacher Education and Experience

June 30, 2003

| <u>Degree</u> | <u>Number of Teachers</u> | <u>Percentage of Total</u> |
|---------------|-----------------------------------|------------------------------------|
| Bachelor | 26 | 8.72% |
| Bachelor + 9 | 24 | 8.05 |
| Bachelor + 18 | 13 | 4.36 |
| Bachelor + 30 | 42 | 14.09 |
| Master | 70 | 23.51 |
| Master + 9 | 31 | 10.40 |
| Master + 18 | 38 | 12.75 |
| Master + 30 | 11 | 3.69 |
| Master + 42 | 40 | 13.42 |
| PhD | <u>3</u> | <u>1.01</u> |
| Total | <u><u>298</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 | 68 | 22.82% |
| 6 - 10 | 96 | 32.21 |
| 11 and Over | <u>134</u> | <u>44.97</u> |
| | <u><u>298</u></u> | <u><u>100.00%</u></u> |

Source: School District Personnel Records

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**Auditor of State
Betty Montgomery**

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Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 6, 2004**