



**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2003**



**Auditor of State  
Betty Montgomery**



**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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**BEREA 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
<b>U.S. Department of Agriculture</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550		\$97,696		\$97,696
Federal School Breakfast	043612-05PU-2002	10.553	\$ 5,620		\$ 5,620	
	043612-05PU-2003		15,183		15,183	
Total Federal School Breakfast			<u>20,803</u>		<u>20,803</u>	
Federal School Lunch	043612-LLP4-2002	10.555	100,884		100,884	
	043612-LLP4-2003		261,462		261,462	
Total Federal School Lunch			<u>362,346</u>		<u>362,346</u>	
Total U.S. Department of Agriculture - Nutrition Cluster			<u><b>383,149</b></u>	<u><b>97,696</b></u>	<u><b>383,149</b></u>	<u><b>97,696</b></u>
<b>U.S. Department of Education</b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I, Part A	043612-C1S1-2002	84.010	16,764		31,687	
	043612-C1S1-2003		259,531		281,610	
Total Title I, Part A			<u>276,295</u>		<u>313,297</u>	
Special Education Cluster:						
Special Education Grants to States						
IDEA Part B	043612-6B-SF-2002P	84.027	1,440		75,504	
	043612-6B-SF-2003P		881,356		760,119	
Total IDEA Part B			<u>882,796</u>		<u>835,623</u>	
Preschool Disability Grant	043612-PG-S1-2002P	84.173	13,624		6,908	
	043612-PG-S1-2003P		30,276		25,523	
Total Preschool Disability Grant			<u>43,900</u>		<u>32,431</u>	
Total Special Education Cluster			<u><b>926,696</b></u>		<u><b>868,054</b></u>	
Drug Free School Grant	043612-DR-S1-2001	84.186	(243)		1,618	
	043612-DR-S1-2002		1,974		4,867	
	043612-DR-S1-2003		15,968		6,253	
Total Drug Free School Grant			<u>17,699</u>		<u>12,738</u>	
Eisenhower, Math & Science, Title II	043612-MSS1-2001	84.281	(231)		949	
	043612-MSS1-2002		8,581		10,977	
Total Eisenhower, Math & Science, Title II			<u>8,350</u>		<u>11,926</u>	
Title V - Innovative Programs	043612-C2-S1-00	84.298	(26)		0	
	043612-C2-S1-01		(58)		200	
	043612-C2-S1-02		(468)		1,104	
	043612-C2-S1-03		39,265		32,449	
Total Title V - Innovative Programs			<u>38,713</u>		<u>33,753</u>	
Title II, Part A - Teacher and Principal Training and Recruiting	043612-TR-S1-2003	84.367	101,159		103,493	
Assistive Technology Infusion Grants	043612-ATS2-2002	84.352A	30,370		28,805	
	043612-ATS3-2002		29,996		28,866	
	043612-ATS4-2002		7,583		0	
Total Assistive Technology Infusion Grant			<u>67,949</u>		<u>57,671</u>	
Reducing Class Size	043612-CR-S1-2002	84.340	2,202		7,179	
Title II D - Education Technology Grants	043612-TJ-S1-2003	84.318	7,801		7,700	
Total Department of Education			<u><b>1,446,864</b></u>	<u><b>0</b></u>	<u><b>1,415,811</b></u>	<u><b>0</b></u>
<b>Total Federal Financial Assistance</b>			<u><b>\$1,830,013</b></u>	<u><b>\$97,696</b></u>	<u><b>\$1,798,960</b></u>	<u><b>\$97,696</b></u>

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

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
YEAR ENDED JUNE 30, 2003**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**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—CHILD NUTRITION CLUSTER**

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

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

**NOTE C—FEDERAL TRANSFERS AND REFUNDS**

The Ohio Department of Education (ODE) transferred federal monies remaining from the 2002 grant year to the 2003 grant year for one separate grant. These amounts are shown as negative receipts for the 2002 grant year and positive receipts in the 2003 grant year. This action by ODE allowed the District to extend the availability period for expenditure of these receipts. The District also had to return funds to ODE for the Drug Free Grant and the Eisenhower Math and Science Grant because the District did not spend all of the allocated funds.

CFDA – Catalog of Federal Domestic Assistance

N/A – Not Applicable



**Auditor of State  
Betty Montgomery**

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

Board of Education  
Berea City School District  
Cuyahoga County  
390 Fair Street  
Berea, Ohio 44017

We have audited the financial statements of the Berea 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 25, 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* which are described in the accompanying schedule of findings as items 2003-001 and 2003-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated November 25, 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 25, 2003.

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

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

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

**Betty Montgomery**  
Auditor of State

November 25, 2003





## Auditor of State Betty Montgomery

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

Board of Education  
Berea City School District  
Cuyahoga County  
390 Fair Street  
Berea, Ohio 44017

#### Compliance

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

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003. We noted certain instances of noncompliance that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated November 25, 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 25, 2003.

### **Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated November 25, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards 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 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 25, 2003

BEREA CITY SCHOOL DISTRICT  
 CUYAHOGA COUNTY  
 JUNE 30, 2003

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

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

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2003**

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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>2003-001</b>
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**Appropriations Exceeding Estimated Resources**

Ohio Rev. Code Section 5705.39 prohibits a political subdivision from making funds appropriations in excess of estimated resources available for expenditure. In addition, Ohio Rev. Code Section 5705.40 requires that any appropriation measure to be amended or supplemented provided the District complies with the same provisions of the law as are used in making the original appropriation. The following funds had appropriations in excess of the amount certified as available by the budget commission:

<b>Fund</b>	<b>Original Estimated Resources</b>	<b>Original Appropriations</b>	<b>Excess</b>
Debt Service	\$2,305,599	\$11,077,716	\$(8,772,117)
School Net Professional Dev	303	3,450	(3,147)
Telecommunity Grant	72,963	126,962	(53,999)
Title VI-B	662,406	881,356	(218,950)
Preschool Grant	35,500	39,904	(4,404)
Title IIA	85,000	172,699	(87,699)
School Net Plus	80,063	112,728	(32,665)

The following fund had appropriations in excess of the amount certified as available by the budget commission at June 30, 2003:

<b>Fund</b>	<b>Final Estimated Resources</b>	<b>Final Appropriations</b>	<b>Excess</b>
Debt Service	\$2,211,936	\$10,918,786	\$(8,706,850)

This weakness could allow expenditures in the above fund to exceed the total of the available fund balances and current year revenue. This could result in a negative fund balance.

We recommend the District compare current year appropriations to total certified resources, in all funds which are legally required to be budgeted, to ensure compliance with this requirement. This comparison should be performed on a monthly basis, at a minimum.

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2003**

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

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

<b>Finding Number</b>	<b>2003-002</b>
-----------------------	-----------------

**Taxable Fringe Benefits**

Internal Revenue Regulations Title 26 (Code of Federal Regulations), Section 1.61-21(a): Taxation of fringe benefits states that, except as otherwise provided, gross income means all income from whatever source derived, including but not limited to, compensation for services including fees, commissions, fringe benefits, and similar items. Consequently, a fringe benefit provided by an employer to an employee is presumed to be income to the employee unless it is specifically excluded from gross income by another section of the Code.

In 2002, the Treasurer, Randy Scherf, as part of his Interim Treasurer's contract, received three months of his mortgage paid at his old residence (\$6,300) while in transition to the Berea City School District. This taxable benefit was excluded from gross income and was not included on the Treasurer's W-2 nor was a 1099 issued. The excluded benefit amounted to the underpayment of federal, state and local taxes.

We recommend the District review compliance with IRS withholding requirements, and the District resubmit the corrected W-2 to the Internal Revenue Service and Treasurer.

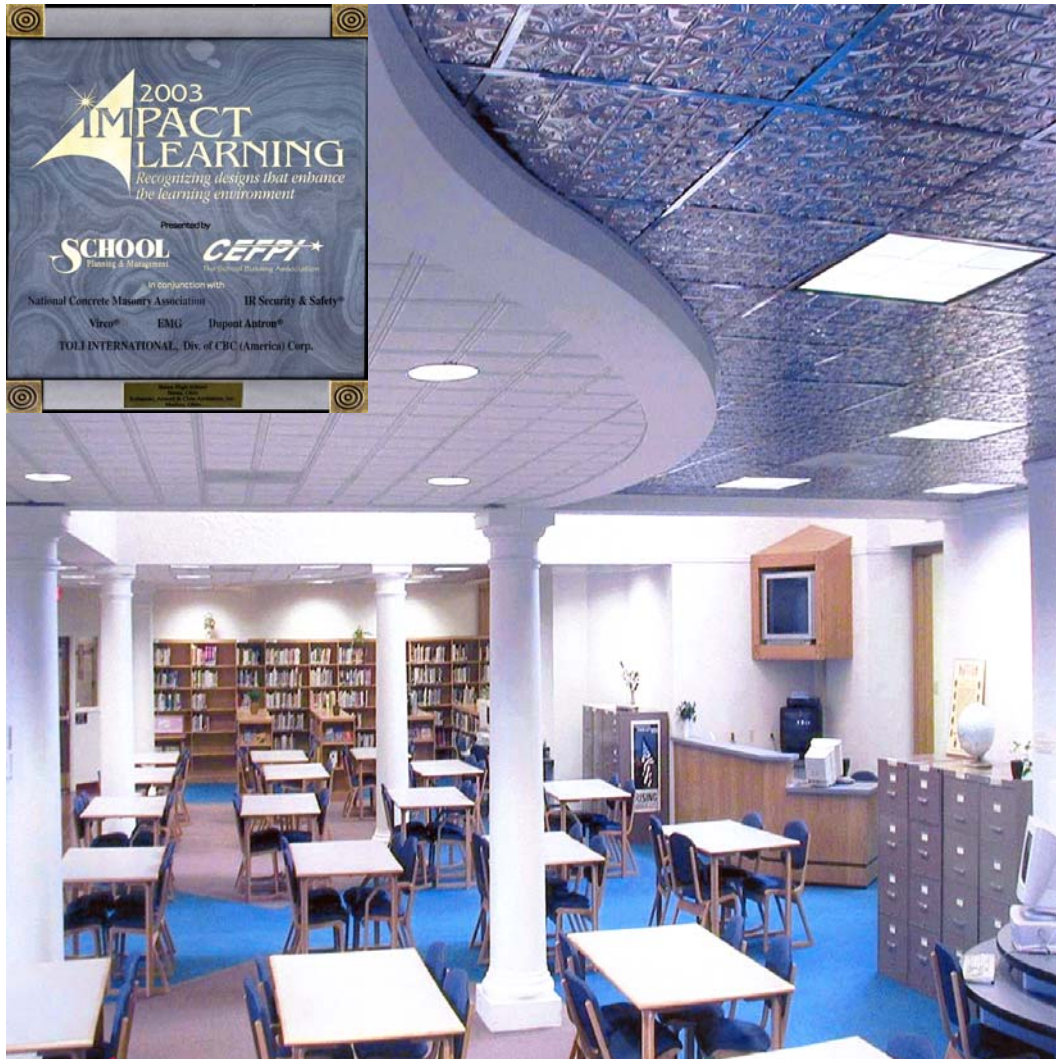
**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

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# Berea City School District

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



### **Berea High School Award Winning Library October 2003**

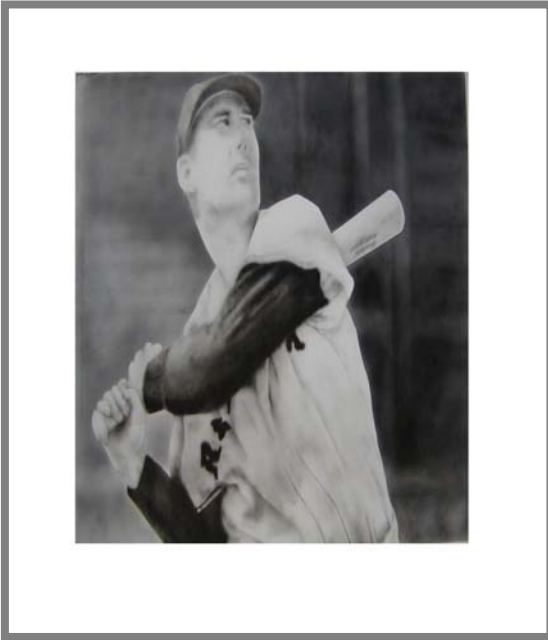
BEREA, OHIO





# Berea, Ohio City School District

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



Kevin Dockman  
Midpark High School  
Art Instructor: Thomas Conti



John Popouch  
Midpark High School  
Art Instructor: Thomas Conti

**Issued by:**      **Treasurer's Office**  
**Randal A. Scherf, Treasurer**  
**Dale Cummins, Assistant Treasurer**

**Berea City School District**  
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November 25, 2003

**Berea  
City  
School  
District**

Berea  
Brook Park  
Middleburg Heights

**Board of Education Members and  
Residents of Berea City School District;**

*We are pleased to submit to you the thirteenth Comprehensive Annual Financial Report (CAFR) of Berea City School District. This CAFR, which includes an opinion from the Auditor of the State of Ohio, 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 Berea 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:*

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

James V. Connell, PhD.  
Superintendent of Schools

Randy Scherf,  
Treasurer

*School District Organization*

*Berea City School District is one of the 613 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District provides education to 7,561 students in grades kindergarten through twelfth. Additionally, the School District provides preschool, after school, adult and community education services to a large number of students. Berea City School District is located in northeastern Ohio, approximately twelve miles southwest of downtown Cleveland. Berea City School District includes the cities of Brook Park and Middleburg Heights, most of the City of Berea and small portions of the cities of Olmsted Falls and Cleveland.*

390 Fair Street  
Berea, OH 44017-2308  
(440) 243-6000 Ext. 6254  
Fax (440) 243-5522

When first settled, Middleburg Township was one community. The first school in Middleburg Township was in Ephriam Vaughan's log house in the year 1822. In the 1830's, Middleburg Township dissolved into three distinct political entities; Berea, Brook Park and Middleburg Heights.

In 1853, a law was enacted which created a local township board of education comprised of three directors. The responsibility of these directors was to hire teachers and to maintain school property. This system was followed until 1904, when rural schools were placed under a five-member township board of education who could hire a superintendent to oversee all of the sub-districts in the township.

The School District used the name "Berea" because of the size of the city in earlier days when Brook Park and Middleburg Heights were too small to support a complete school system. Today, the Berea Public School System stands unique as the common bond between Berea, Brook Park and Middleburg Heights.

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.

### **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 Berea City School District (the primary government) and its potential component units.

The City of Berea, City of Brook Park, City of Middleburg Heights, Cuyahoga County Public Library, and the Parent Teacher Organization have not been included in the accompanying financial statements. The boards are not appointed by the School District, nor are they fiscally dependent on the School District. Polaris Career Center, the Educational Community Foundation and the Ohio Schools Council are reported as jointly governed organizations. The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program, an insurance purchasing pool.

### **Economic Condition and Outlook**

The School District contains an amalgamation of communities. The portion of the School District containing all of Brook Park and a small portion of the City of Cleveland is a commercial and industrial center, as well as being a residential community. It contains Ford Motor Company's casting plant and two engine plants. Total employment by the three plants is more than 4,200 people. Also located in this section of the School District is Cleveland Hopkins International Airport, which provides international air transportation and delivery services for the County and surrounding areas.

The portion of the School District containing all of Berea and a small portion of the City of Olmsted Falls is a commercial center and residential community. This area was a commercial center before many of the present-day Cleveland suburbs came into being and is the home of Baldwin-Wallace College.

The portion of the School District containing all of Middleburg Heights is primarily a suburban residential community that is younger and not as developed as the other portions of the School District. In recent years, this area has experienced increases in commercial development, primarily hotels and restaurants serving visitors to the area. The growth is due to its close proximity to Cleveland Hopkins International Airport and to Interstates I-71, I-80 and I-480.



Also located within this portion of the School District is United Parcel Service, Incorporated, which employs approximately 1,100 people and Southwest General Hospital, which employs approximately 1,700 people.

## **Major Initiatives**

***For the Year*** Berea City School District has a guardedly optimistic outlook for the future. The voters approved an additional 5.9 mill continuing operating levy in November 2002. Collection began in January 2003. The last operating levy was passed in 1999. The real property tax system in Ohio does not permit school districts to receive additional tax revenue solely as a result of reassessment or appraisal. As a result, real property tax revenue increases very little. The primary means of increasing revenue for Berea City School District is through an additional operating levy, requiring voter approval.

Further indicating voter support, a 1.0 mill continuing permanent improvement levy was passed in November 1996. Beginning collection in January 1997, this levy is allowing the School District to address ongoing facility needs. The annual revenue from this levy, approximately \$1.8 million, almost equals the depreciation expense of the School District.

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 Berea City Schools. In May 2000 the Ohio Supreme Court reviewed the State's efforts since 1997 and indicated the State had not met the constitutional requirements. However, most recent effort by the Ohio Legislature and Governor during 2003 has been considered constitutional by the Ohio Supreme Court if certain additional funding requirements are met. The Supreme Court has since declared the DeRolph case closed. The U.S. Supreme Court dismissed further action secured by the coalition. Berea City School District will not see additional revenue as a result of this state funding system.

### ***Primary accomplishments for 2003 were as follows:***

#### ***Financial***

Received the first Award for Outstanding Achievement in Popular Annual Financial Reporting.

Received the Certificate of Excellence in Financial Reporting for the CAFR from the Government Finance Officer's Association (GFOA), for the twelfth consecutive year.

#### ***Instruction***

Continued the ongoing training of our elementary teaching staff on the use of "lesson study" to increase their performance in the classroom by focusing attention on essential elements for truly outstanding lessons.

Completed the pilot study for the new elementary math program that will be implemented in 2003-2004.

Continued to implement the District Continuous Improvement Plan through specific defined tasks and strategies that address the improvement of student achievement in the State tested content areas.

## ***Community***

The Community Educational Foundation expanded its grants to students and staff for education and instructional programs and expanded its endowment.

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

### ***Specific goals for 2004 are:***

#### ***Financial***

Successfully negotiate new labor agreements with all three labor groups.

Continue multi-year planning for capital projects, technology and maintenance to assure limited funds are used for the best instructional use through the Permanent Improvement Coordinating Committee.

Receive the Certificate of Excellence in Financial Reporting for the School District's 2003 for the Comprehensive Annual Financial Report on the new reporting model for the fifth year.

Receive the Award for Outstanding Achievement in Popular Annual Financial Reporting for the second year.

#### ***Instruction***

Full and successful implementation of the Elementary Math Program.

Initiate implementation of the Tripod Project for the middle schools.

Utilize the services of a Literacy Specialist for the tutors and students in Title I schools.

Continue the implementation of the math lesson study at the elementary level.

***Service Efforts*** There are currently twenty-eight members on the School District's Business Advisory Council (the Council). The overall focus of the Council is to establish a trusting relationship between business and school communities, where both parties gain additional information and skills. The Council has four subcommittees to help in promoting school/business involvement: the Learning Integrating Networking Communicating (LINC) Team, which works to bring interested staff and business members together; a membership subcommittee to promote partnerships within the business community; a communications subcommittee to provide ongoing publicity and information; and a student subcommittee to involve students in planning business involvement.

Through its Ford Academy of Manufacturing Sciences Program, developed in cooperation with Ford Motor Company, the School District offers an extensive two-year curriculum for high school students. An integral part of this program is an internship in a manufacturing environment during the summer between a student's junior and senior year.

The School District has established a separate Educational Community Foundation intended to enhance learning and service opportunity for all young people served by the School District. This foundation has provided staff grants and student scholarships through its endowment.

The School District has an ongoing partnership with Southwest General Hospital, located in Middleburg Heights, providing student health services, athletic training services and mental health services. The hospital's physicians council has provided significant medical assistance to students unable to afford such services as well as classroom guidance on health related issues.

## **Financial Information**

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

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

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District adopts the permanent appropriation measure in September.

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. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by the site administrator, Assistant Superintendent or appropriate central office director and be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriations are rejected until additional appropriations are secured.

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

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. 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 and account groups utilized by Berea City Schools are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2003 and the outlook for the future. Because that discussion focuses on major funds, other non-major 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 dental, vision and medical benefits to School District employees. Effective October 1, 1997 the School District implemented a medical self-insurance program. The internal service fund had net assets of (\$949,113) at June 30, 2003, compared with net assets of (\$407,918) at June 30, 2002. The School District is examining the additional amount of funds needed through the Health Benefits Committee. At the present time a recommendation is being shared with the School District's employees.

***Financial Highlights - Fiduciary Funds*** The trust fund carried on the financial records of the School District is a private purpose trust fund that has net assets totaling \$12,994 at June 30, 2003.

## **Cash Management**

The Board pursues an aggressive cash management program by expediting the receipt of revenues and prudently depositing and investing available cash balances. The cash management program is beneficial because of access to daily balances which enables the Board to maintain minimum balance accounts and invest to the maximum extent. The total amount of interest earned for the general fund was \$159,426 for the fiscal year ended 2003.

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

During fiscal year 2003, investments were limited to Federal Home Loan Bank Notes and Bonds, Federal Home Loan Mortgage Notes, Federal National Mortgage Association Notes, Certificates of Deposit, overnight Repurchase Agreements, Victory Money Market mutual fund and STAR Ohio.

## **Risk Management**

The School District manages the dental/vision benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. Because the maximum payment per participant is limited in both the dental and vision plans, no individual or aggregate stop-losses are necessary. During 1997, the School District converted its fully insured health insurance plan to a self-insured plan. The School District funds the plan by charging each appropriate fund premium amounts per employee.

The School District uses the State Workers' Compensation plan and pays the premium based on a rate per \$100 of salaries. The School District is a member of the Ohio School Boards Association Workers' Compensation Group Rating Program. The projected savings show a ten percent reduction in the workers' compensation premium.

The School District contracts for general liability insurance with a \$5,000,000 limit. The School District also carries a single occurrence \$2,000,000 limit for professional liability, \$5,000,000 aggregate and no deductible.

## **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 school districts in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

## **Awards**

***GFOA Certificate of Achievement*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Berea 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.

***Outstanding Achievements*** Berea City School District students and staff have received numerous local, state, and national recognition. Three of our teachers have completed the rigorous requirements set by the National Board for Professional Teaching Standards and achieved National Board Certification, while 11 additional teachers are completing the process this year. The Berea City School District is rated as an Effective district by the Ohio Department of Education. For the fourth year in a row, the School District was named among the Top 100 in music education in the nation, the only Ohio district and one of less than twenty districts in the nation to achieve this recognition for four consecutive years. Our Transportation Department, for the 27<sup>th</sup> consecutive year, passed the State Highway Patrol inspection at the 100 percent level.

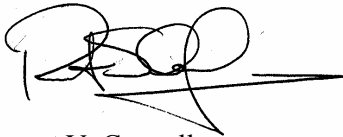
## Acknowledgments

Each year we take time to recognize an individual who has contributed much to the well being of the School District. This year we would like to single out Dale Cummins, the School District's Assistant Treasurer. She has continued the tradition of quality instilled in the Berea City School District.

Finally, our thanks is extended to the Board of Education where the commitment to excellence begins.

Respectfully submitted,

Randal A. Scherf  
Treasurer

A handwritten signature in black ink, appearing to read 'R. Scherf', with a long horizontal stroke extending to the right.

Dr. James V. Connell  
Superintendent

A handwritten signature in black ink, appearing to read 'James V. Connell', written in a cursive style.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Berea 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

**Berea City School District  
Principal Officials**

**Board of Education**

Mr. David Pusti..... President  
Mrs. Gale Patten..... Vice-President  
Mr. Robert Drake ..... Member  
Mrs. Dorothy Fabrizi..... Member  
Mr. David Thurau..... Member

**Treasurer**

Mr. Randal A. Scherf

**Administration**

Dr. James V. Connell..... Superintendent  
Mr. Derran Wimer ..... Assistant Superintendent  
Mrs. Jennie Adams..... Director, Pupil Personnel  
Mrs. Nancy Braford ..... Director, School/Community Relations  
Mr. Kenneth Clickenger ..... Director, Business Services  
Mr. Kevin Jaynes ..... Director, Information Technology  
Mr. Gary Puntel ..... Director, Personnel and Employee Relations



# RESIDENTS OF THE DISTRICT

## BOARD OF EDUCATION

**Treasurer**

Assistant Treasurer

**Superintendent**

City/County Personnel assigned to BCSD

**Assistant Superintendent**

High School Principals & Assistant Principals

Athletic Directors

Middle School Principals & Assistant Principals

Elementary Principals & Assistant Principals

Supervisor: Middlebrook

Community & Adult Basic Ed. Coordinator

Curriculum Coordinators

**Director Business Services**

Supervisor Buildings & Grounds

Asst. Supervisor Buildings & Grounds

Supervisor Transportation

Asst. Supervisor Transportation

Supervisor Food Services

Coordinator Purchasing

**Director Community Relations**

**Director Information Technology**

Supervisor Data Processing

Data Processing Analyst

District Communication Specialists

**Director Personnel & Employee Relations**

**Director Pupil Services**

Principal Snow School

Coordinator Special Education

Psychologists

Coordinators Preschool Program Extended Care Program



**ORGANIZATIONAL CHART  
BEREA CITY SCHOOLS  
2002-2003**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Board of Education  
Berea City School District  
Cuyahoga County  
390 Fair Street  
Berea, Ohio 44017

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Berea 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, business type activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 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 have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



**Betty Montgomery**  
Auditor of State

November 25, 2003

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

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The discussion and analysis of Berea 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.

Key financial highlights for 2003 are as follows:

*Overall:*

- Total net assets declined \$4.2 million, Governmental Activities decreased \$4 million as well as a decrease in business-type activities of \$0.2 million.
- Total revenue and special items decreased to \$69.1 million from \$77.3 million in 2002, a decrease of \$8.2 million, virtually all in Governmental Activities.
- Total program expenses were \$76.4 million, down from \$76.9 million in 2002, a decrease of \$0.5 million. This change was consistent between the governmental and business type activities.
- Outstanding debt decreased to \$11.4 million from \$11.7 million in 2002 and \$12.1 million in 2001.

*Governmental Activities:*

- Assets increased by \$0.2 million, but liabilities increased by \$4.2 million.
- Total revenue and special items decreased from \$77.3 million in 2002 to \$69.1 million in 2003, and program expenses decreased from \$73.8 million to \$73.1 million.
- The decrease in revenue is primarily due to general-purpose tax levies.

*Business-Type Activities:*

- Program revenues were flat for Business Activities. Expenses were consistent in 2003 with 2002 levels.
- Days cash for all Business-Type Activities declined to 72 operating days for business activities from 99 in 2002 and 113 in 2001.
- Net assets in Food Service decreased \$268,639, Uniform School Supplies increased \$945, and Adult and Community Education increased \$48,722.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

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**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 Berea City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

***Reporting the School District as a Whole***

*Statement of Net Assets and the Statement of Activities*

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answers 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 – Most 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. The School District's food service, uniform school supplies and adult and community education 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 13. 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, debt service fund and the permanent improvement capital projects fund.

**Berea City School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2003  
Unaudited

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

**Proprietary Funds** Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the School District as a whole.

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2003 compared to the two prior years:

Table 1.  
Net Assets  
(In Millions)

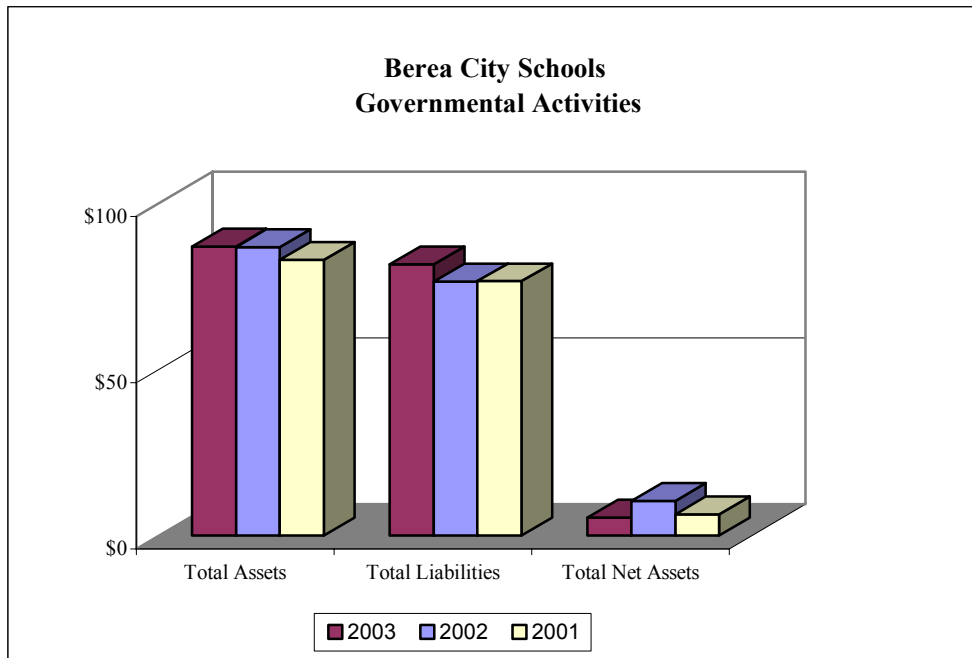
	<i>Governmental Activities</i>			<i>Business -Type Activities</i>			<i>Totals</i>		
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<i>Assets</i>									
Current and Other Assets	\$ 67.8	\$ 66.5	\$ 62.7	\$ 0.8	\$ 1.0	\$ 1.1	\$ 68.6	\$ 67.5	\$ 63.8
Capital Assets	<u>19.2</u>	<u>20.3</u>	<u>20.2</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>19.5</u>	<u>20.6</u>	<u>20.5</u>
<i>Total Assets</i>	<u>87.0</u>	<u>86.8</u>	<u>82.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.4</u>	<u>88.1</u>	<u>88.1</u>	<u>84.3</u>
<i>Liabilities</i>									
Long Term Liabilities	(18.5)	(18.9)	(19.1)	(0.1)	(0.1)	(0.1)	(18.6)	(19.0)	(19.2)
Other Liabilities	<u>(62.1)</u>	<u>(57.5)</u>	<u>(57.3)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(62.3)</u>	<u>(57.7)</u>	<u>(57.5)</u>
<i>Total Liabilities</i>	<u>(80.6)</u>	<u>(76.4)</u>	<u>(76.4)</u>	<u>(0.3)</u>	<u>(0.3)</u>	<u>(0.3)</u>	<u>(80.9)</u>	<u>(76.7)</u>	<u>(76.7)</u>
<i>Net Assets</i>									
Invested in Capital Assets									
Net of Debt	8.0	8.6	8.0	0.3	0.3	0.3	8.3	8.9	8.3
Restricted	5.0	4.8	3.4	-	-	-	5.0	4.8	3.4
Unrestricted (deficit)	<u>(6.6)</u>	<u>(3.0)</u>	<u>(4.9)</u>	<u>0.5</u>	<u>0.7</u>	<u>0.8</u>	<u>(6.1)</u>	<u>(2.3)</u>	<u>(4.1)</u>
<i>Total Net Assets</i>	<u>\$ 6.4</u>	<u>\$ 10.4</u>	<u>\$ 6.5</u>	<u>\$ 0.8</u>	<u>\$ 1.0</u>	<u>\$ 1.1</u>	<u>\$ 7.2</u>	<u>\$ 11.4</u>	<u>\$ 7.6</u>

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

***Governmental Activities***

Graph 1.  
 Net Assets Governmental Activities  
 (In Millions)

	<i>Governmental Activities</i>		
	<u>2003</u>	<u>2002</u>	<u>2001</u>
Total Assets	\$87.0	\$86.8	\$82.9
Total Liabilities	<u>80.6</u>	<u>76.4</u>	<u>76.4</u>
Total Net Assets	<u>\$ 6.4</u>	<u>\$10.4</u>	<u>\$ 6.5</u>



Total assets increased by \$0.2 million. Taxes receivable totaled \$60.6 million; of this amount \$53.7 million is offset as deferred revenue, revenue to be used in future periods. Taxes receivable increased from 2002 due mainly to the passage of a new levy in which approximately \$4 million was collected between January and June 2003. The only reason deferred revenue didn't go up a corresponding amount is because of the increase in taxes available as an advance at June 30, 2003. Cash decreased from \$6.4 million in 2002 to \$5.6 million in 2003. Total liabilities for Governmental Activities increased by \$4.2 million.

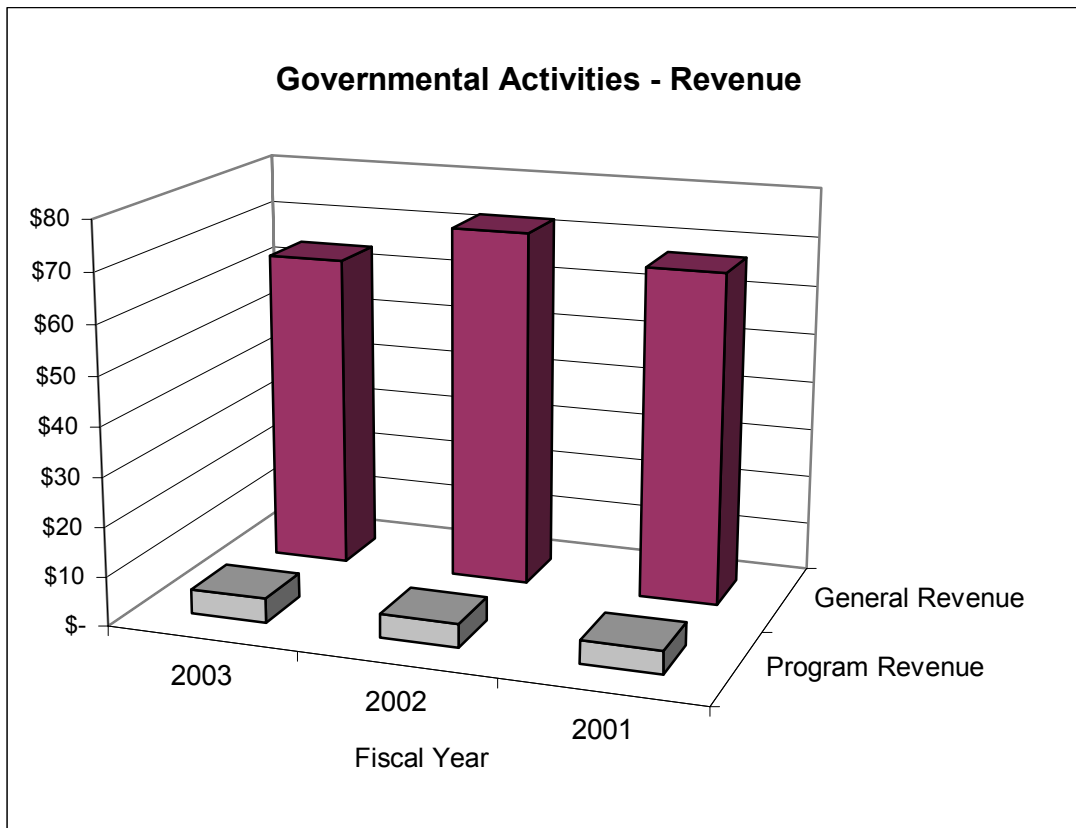


**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

While program revenue increased for Governmental Activities from \$4.8 million to \$5 million, the vast majority of revenue supporting Governmental Activities is general revenue. General revenue decreased in 2003 to \$64.1 million from \$72.5 million in 2002. General revenue comprised 93% of revenue supporting Governmental Activities. The primary source of the decrease was property taxes. The decrease is primarily related to a \$2.4 million decrease in the amount available for advance as of June 30, 2003 from June 30, 2002. A decrease in capital assets of \$1.1 million and an increase of set asides by \$0.7 million. Taxes comprised \$50.5 million of general revenue in 2003, compared to \$58.1 million in 2002 and \$53.6 million in 2001. The decrease in revenue was primarily due to the Cuyahoga County Treasurer sending the semi-annual tax bills out earlier in the month of June 2002 than in past years resulting in more payments reaching the County Treasurer before fiscal year end.

Graph 2.  
 Revenue For Governmental Activities  
 (In Millions)

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Program Revenue	\$5.0	\$4.8	\$4.7
General Revenue	64.1	72.5	67.4

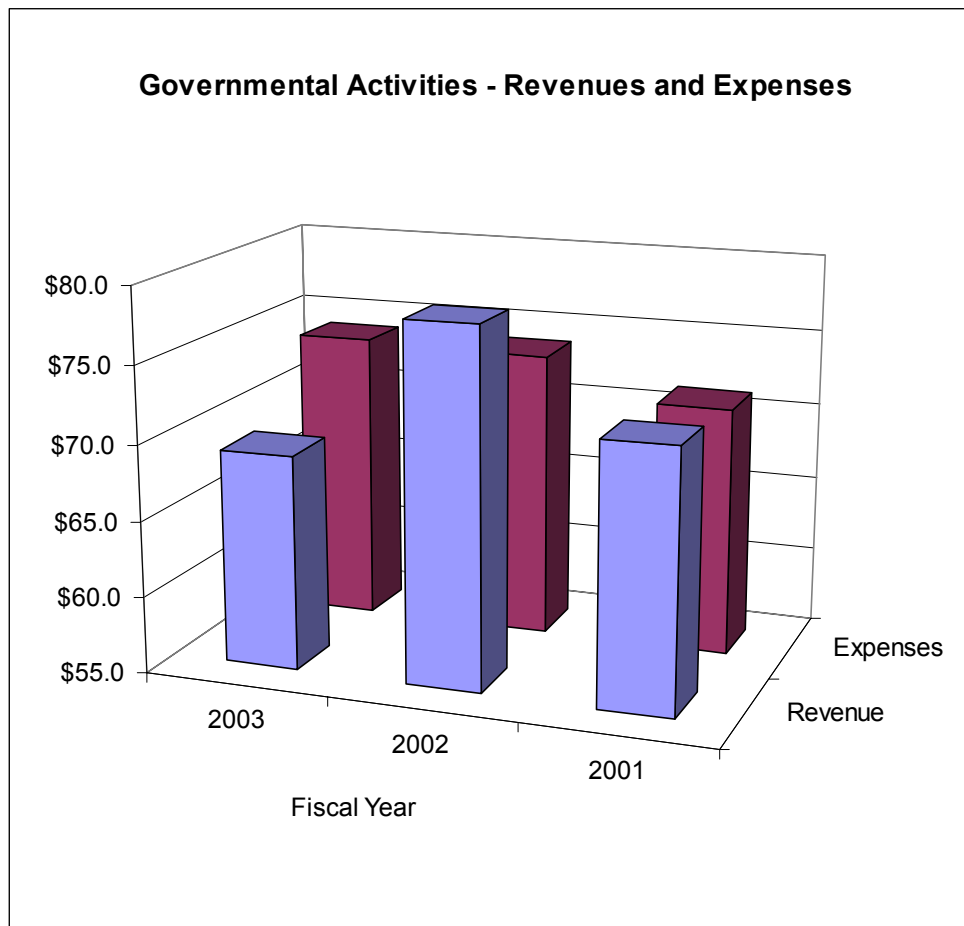


**Berea City School District**  
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*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

Program expense increased from \$71.2 million in 2001 to \$73.8 million in 2002 and then to \$73.1 million in 2003.

Graph 3.  
 Revenues and Expenses For Governmental Activities  
 (In Millions)

<i>Governmental Activities</i>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Revenue	\$69.1	\$77.3	\$72.1
Expenses	73.1	73.8	71.2



While revenue's decreased, expenses stayed flat due to budget constraints placed on the School District from prior failed levy attempts.

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Table 2 shows the changes in net assets for fiscal year 2003 for Governmental Activities compared to the two prior years.

Table 2.  
Change In Net Assets For Governmental Activities  
(In Millions)

	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Revenues</b>			
<i>Program Revenues:</i>			
Charges For Services and Sales	\$ 1.6	\$ 2.2	\$ 1.8
Operating Grants	3.2	2.5	2.5
Capital Grants and Contributions	0.2	0.1	0.4
<i>General Revenue:</i>			
Property Taxes	50.5	58.1	53.6
Grants and Entitlements	13.1	13.7	12.6
Other	<u>0.5</u>	<u>0.7</u>	<u>1.2</u>
<b>Total Revenue</b>	<u>69.1</u>	<u>77.3</u>	<u>72.1</u>
<b>Program Expenses</b>			
Instruction	\$ 40.5	\$ 40.7	\$ 37.2
<i>Support Services:</i>			
Pupil and Instructional Staff	10.7	10.8	10.4
Board of Education, Administration			
Fiscal and Business	6.3	6.5	6.3
Operation and Maintenance of Plant	7.6	8.0	8.5
Pupil Transportation	3.6	3.4	3.1
Central	1.7	1.5	2.6
Non-Instructional Services	0.8	0.6	0.8
Extracurricular Services	1.3	1.6	1.5
Interest and Fiscal Changes	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>
<b>Total Expenses</b>	<u>73.1</u>	<u>73.8</u>	<u>71.2</u>
Special Item - Gain on Sale of Capital Assets	0	0.4	0
<b>Increase (Decrease) In Net Assets</b>	<u>\$ (4.0)</u>	<u>\$ 3.9</u>	<u>\$ 0.9</u>

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. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become 0.5 mills and the owner would still pay \$35.00.

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Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 73 percent of revenues for governmental activities for Berea City School District in fiscal year 2003.

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 Cost of Program Services  
 Governmental Activities  
 (In Millions)

	<u>2003</u>		<u>2002</u>		<u>2001</u>	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 40.5	\$ 38.5	\$ 40.7	\$ 38.7	\$ 37.2	\$ 35.1
Support Services						
Pupil and Instructional Staff	10.7	9.4	10.8	9.8	10.4	9.5
Board of Education, Administration, Fiscal and Business	6.3	6.2	6.5	6.3	6.3	6.2
Operation and Maintenance of Plant	7.6	7.4	8.0	7.8	8.5	8.3
Pupil Transportation	3.6	3.3	3.4	3.3	3.1	3.0
Central	1.7	1.6	1.5	1.4	2.6	2.6
Operation of Non-Instructional Services	0.8	0.1	0.6	(0.1)	0.8	-
Extracurricular Activities	1.3	1.0	1.6	1.2	1.5	1.1
Interest and Fiscal Charges	<u>0.6</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>0.8</u>	<u>0.8</u>
Total Expenses	<u>\$ 73.1</u>	<u>\$ 68.1</u>	<u>\$ 73.8</u>	<u>\$ 69.1</u>	<u>\$ 71.2</u>	<u>\$ 66.6</u>

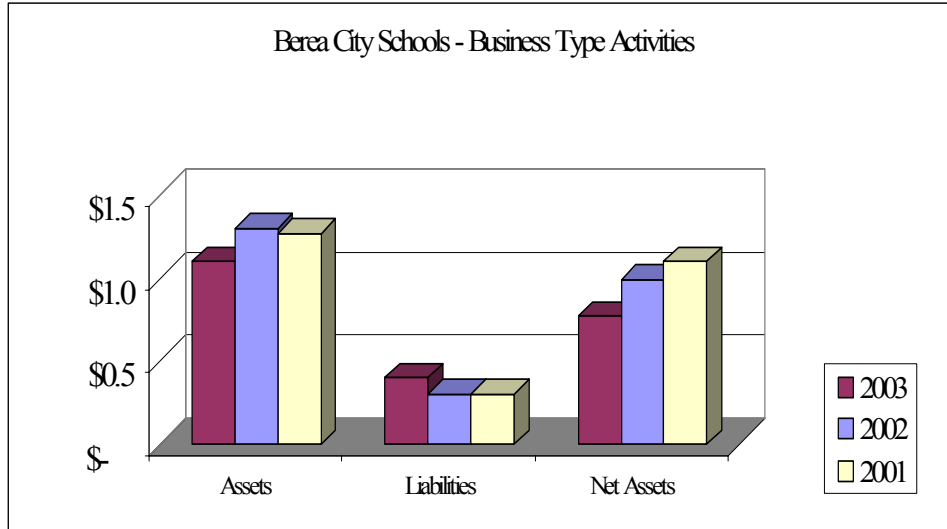
The dependence upon general tax revenues for governmental activities is apparent. Over 95 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 93 percent as shown in Table 2. The community, as a whole, is by far the primary support for Berea City School District students.

***Business-Type Activities***

Business-type activities include food service, uniform school supply and adult/community education. The adult/community education program has three components: community education programs, preschool and after school programs.

Overall net assets decreased \$218,972 in 2003. Cash has declined from \$0.9 million in 2002 to slightly less than \$0.7 million for 2003. As well, "days cash" is 72 less than management's goal of 90 days. Only program revenues support business-type activities.

**Berea City School District**  
*Management's Discussion and Analysis*  
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*Unaudited*



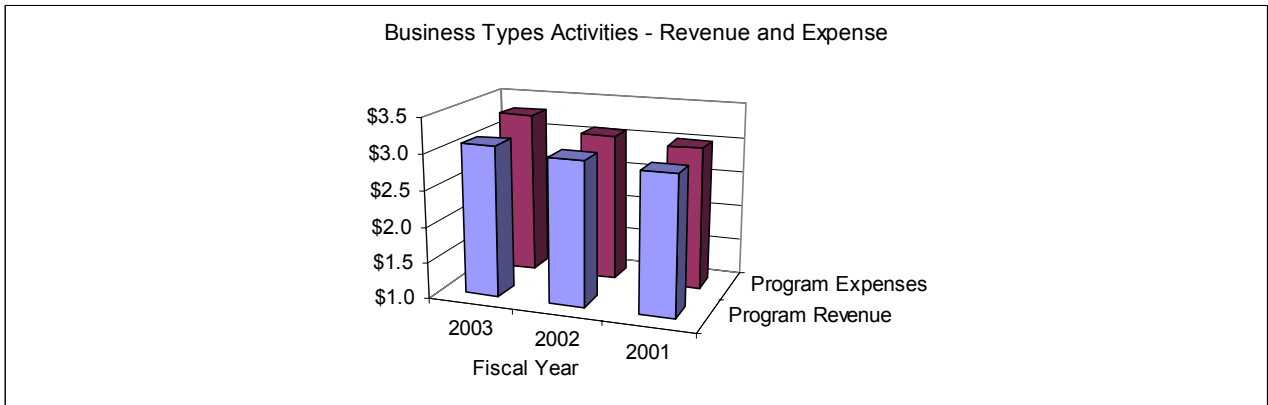
Graph 4.  
 Net Assets Business Type Activities  
*(In Millions)*

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Assets	\$ 1.1	\$ 1.3	\$ 1.4
Liabilities	0.3	0.3	0.3
Net Assets	0.8	1.0	1.1

Graph 5.  
 Revenue and Expense for Business Type Activities  
*(In Millions)*

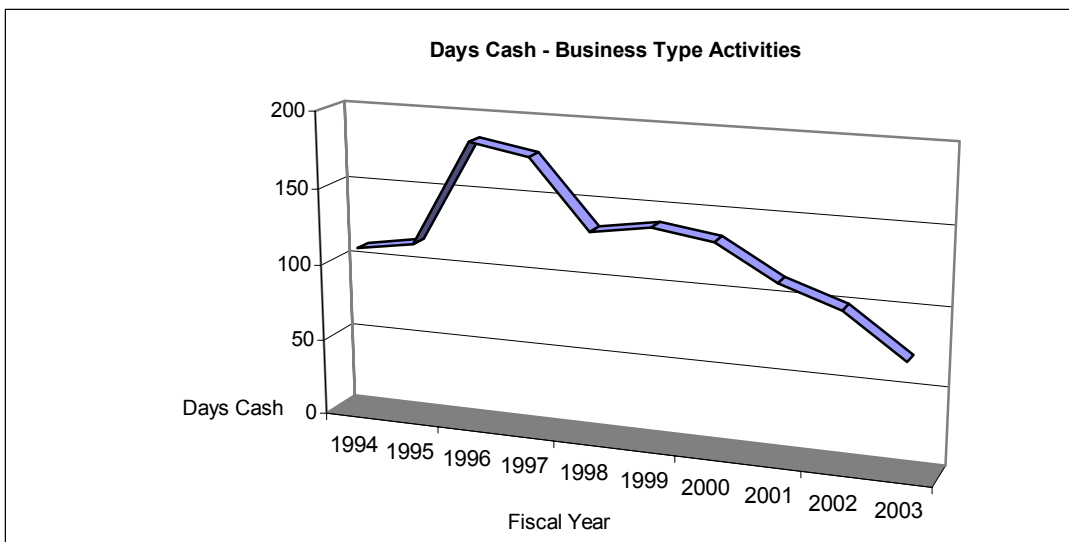
	<u>2003</u>	<u>2002</u>	<u>2001</u>
Program Revenue	\$ 3.1	\$ 3.0	\$ 2.9
Program Expenses	3.3	3.1	3.0

**Berea City School District**  
*Management's Discussion and Analysis*  
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 Unaudited



Graph 6.  
 Days Cash Business-Type Activities

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Days Cash (1994 - 1998)	110	116	185	178	134
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Days Cash (1999 - 2003)	140	134	113	99	72



**Berea City School District**  
*Management's Discussion and Analysis*  
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Unaudited

The individual revenues and expenses for each program compared to the two prior years is shown in Table 4.

Table 4.  
Changes In Net Assets for Business-Type Activity Programs  
(In Millions)

<i>Business Type Activities</i>	<i>Food Service</i>			<i>Uniform School Supply</i>			<i>Adult and Community Education</i>			<i>Total Business - Type Activities</i>		
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Program Revenues												
Charges For Service and Sales	\$ 1.5	\$ 1.5	\$ 1.6	\$ 0.1	\$ 0.1	\$ 0.1	\$ 1.0	\$ 0.9	\$ 0.9	\$ 2.6	\$ 2.5	\$ 2.6
Operating Grants and Contributions	0.5	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.4
Total Program Revenue	2.0	2.0	2.0	0.1	0.1	0.1	1.0	0.9	0.9	3.1	3.0	3.0
Program Expenses	<u>2.3</u>	<u>2.0</u>	<u>2.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.9</u>	<u>1.0</u>	<u>1.0</u>	<u>3.3</u>	<u>3.1</u>	<u>3.1</u>
Increase (Decrease) In Net Assets	<u>\$ (0.3)</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ -</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.1</u>	<u>\$ (0.1)</u>	<u>\$ (0.1)</u>	<u>\$ (0.2)</u>	<u>\$ (0.1)</u>	<u>\$ (0.1)</u>

***The School District's Funds***

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$69.7 million and expenditures of \$71.8 million. The net change in fund balance for the year was most significant in the General Fund, where the General Fund unreserved deficit went from \$5.4 million in 2002 to \$5.3 million for 2003. Reserves decreased from \$7.6 million to \$5.9 million.

***General Fund Budgeting Highlights***

The School District's budget is prepared according to Ohio law except as disclosed in Note 4 and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal 2003 the School District amended its general fund budget numerous times, none significant. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, budget basis revenue was \$65.9 million, above original budget estimates of \$64.9 million. Of this \$1.1 million difference, taxes was \$2.4 million above original estimates and tuition and fees were \$0.2 million below original estimates. Interest was \$0.3 million below original estimate and charges for service was \$0.5 million below original estimate.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$66.8 million, \$0.9 million above revenues.

**Berea City School District**  
*Management's Discussion and Analysis*  
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***Capital Assets and Debt Administration***

**Capital Assets**

At the end of fiscal 2003 the School District had \$19.5 million invested in land, buildings, equipment and textbooks, \$19.2 million in governmental activities.

Table 5 shows fiscal 2003 balances compared to the prior two years:

Table 5.  
 Capital Assets At June 30  
 (Net of Depreciation - In Millions)

	<i>Governmental Activities</i>			<i>Business-Type Activities</i>			<i>Total</i>		
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Land & Improvements	\$ 2.5	\$ 2.5	\$ 2.4	-	-	-	\$ 2.5	\$ 2.5	\$ 2.4
Buildings & Improvements	13.9	14.3	14.9	-	-	-	13.9	14.3	14.9
Furniture & Equipment	1.3	1.5	1.5	\$ 0.3	\$ 0.3	\$ 0.3	1.6	1.8	1.8
Vehicles	0.8	0.9	0.9	-	-	-	0.8	0.9	0.9
Textbooks	<u>0.7</u>	<u>1.1</u>	<u>0.5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.7</u>	<u>1.1</u>	<u>0.5</u>
Total	<u>\$ 19.2</u>	<u>\$ 20.3</u>	<u>\$ 20.2</u>	<u>\$ 0.3</u>	<u>\$ 0.3</u>	<u>\$ 0.3</u>	<u>\$ 19.5</u>	<u>\$ 20.6</u>	<u>\$ 20.5</u>

The decrease in capital assets is due to recognizing \$1.8 million in depreciation expense for 2003, offset by \$0.7 million in acquisitions. The District also retired \$0.1 million in assets (net of depreciation). The District continued its ongoing commitment to maintaining and improving its fixed assets. For more information refer to note 8 to the basic financial statements.

Senate Bill No. 345 made certain amendments to the textbook and capital reserve set-aside requirements, effective July 1, 2001. The reserves are calculated by multiplying a percentage of the preceding years' formula amount by the District's preceding years student population. For fiscal year 2003, the set-aside requirements amounted to \$1 million for each set aside. For fiscal year 2003 the School District had qualifying disbursements or offsets exceeding these requirements for capital improvements. For 2002 the School District deferred a portion of this amount for textbooks. Thus the required amount increased for 2003 by the deferred amount plus the \$1 million requirement. For 2003, \$1.5 million of this requirement has not yet been met and appears as a reservation of fund balance for 2003.

**Debt**

At June 30, 2003 the School District had \$11.4 million in bonds, \$0.6 million due within one year.



**Berea City School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

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Table 6. summarizes bonds and notes outstanding for the past three years:

Table 6.  
 Outstanding Debt At June 30  
 Governmental Activities  
*(In Millions)*

	<u>2003</u>		<u>2002</u>		<u>2001</u>
<i>General Obligation Bonds:</i>					
1993 School Improvement	\$ 11.4	\$	11.7	\$	12.1

In 1993 the School District passed a 1.0 mill bond issue, providing \$14.6 million for facility improvements including community facilities for each high school, library expansions and improvements in most buildings and other improvements.

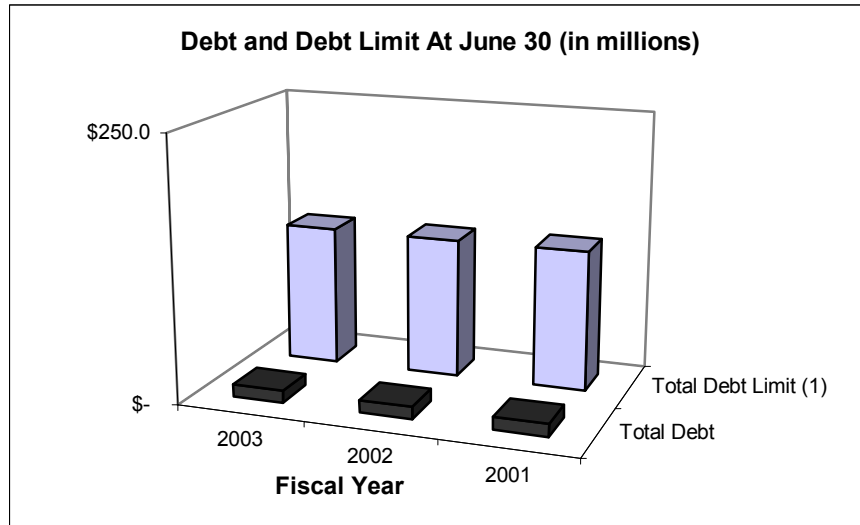
At June 30, 2003, the School District's overall legal debt margin was \$122 million with an unvoted debt margin of \$1.5 million. The debt is well within permissible limits. The School District maintains an A-1 bond rating. For more information refer to note 16 to the basic financial statements.

Graph 7.  
 Debt and Debt Limit At June 30  
*(In Millions)*

	<u>2003</u>		<u>2002</u>		<u>2001</u>
Total Debt	\$ 11.4	\$	11.7	\$	12.1
Total Debt Limit (1)	131.6		132.7		133.4

**Berea City School District**  
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- (1) Debt limit is 9% of assessed value for all debt and 0.1% of unvoted debt. The district has no unvoted debt.

### **Current Financial Related Activities**

Berea City School District is strong financially. As the preceding information shows, the School District heavily depends on its property taxpayers. With the passage of a 5.9 mill operating levy and collection beginning January 2003 the School District has been able to continue its education programs. However, financially the future is not without challenges.

While the School District was successful in increasing its tax revenue base by \$8.7 million annually, this increase is a one-time increase. 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 three-year plan.

Declining tax collections further challenges this plan. This decline due to decreasing personal property business taxes, means reduced tax revenues in future years. With its largest source of revenues decreasing, the School District must seek additional tax revenues to continue current operations. However, the School District cannot look to the State of Ohio for increased revenue.

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 plan 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 its financial operations.

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

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*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

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Berea 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 1991 and the GFOA Budget Award since 1996. The School District was one of the first School Districts in the nation to receive the GFOA Certificate of Achievement for its 1999 Comprehensive Annual Financial Report using the new financial reporting model. This report represents the fifth report using this new financial reporting model.

In addition, the School District's system of budgeting and internal controls is well regarded.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Randy Scherf, Treasurer at Berea City School District, 390 Fair Street, Berea, Ohio 44017. Or e-mail at [rscherf@berea.k12.oh.us](mailto:rscherf@berea.k12.oh.us).

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**Berea City School District**  
*Statement of Net Assets*  
June 30, 2003

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$5,550,146	\$663,199	\$6,213,345
Cash and Cash Equivalents			
With Escrow Agents	38,277	0	38,277
Accrued Interest Receivable	5,542	0	5,542
Accounts Receivable	51,187	736	51,923
Intergovernmental Receivable	1,227,800	61,460	1,289,260
Prepaid Items	23,815	0	23,815
Inventory Held for Resale	0	36,033	36,033
Materials and Supplies			
Inventory	216,998	37,380	254,378
Taxes Receivable	60,605,148	0	60,605,148
Deferred Charges	129,046		
Nondepreciable Capital Assets	920,067	0	920,067
Depreciable Capital Assets, Net	18,327,658	311,501	18,639,159
<i>Total Assets</i>	<u>87,095,684</u>	<u>1,110,309</u>	<u>88,076,947</u>
<b>Liabilities</b>			
Accounts Payable	634,035	22,350	656,385
Contracts Payable	180,828	0	180,828
Accrued Wages	4,265,149	54,355	4,319,504
Matured Compensated Absences Payable	72,608	0	72,608
Retainage Payable	59,598	0	59,598
Intergovernmental Payable	2,171,656	97,139	2,268,795
Deferred Revenue	53,659,395	0	53,659,395
Accrued Interest Payable	49,402	0	49,402
Claims Payable	1,031,285	0	1,031,285
Long-Term Liabilities:			
Due Within One Year	1,385,198	6,965	1,392,163
Due Within More Than One Year	17,146,748	167,795	17,314,543
<i>Total Liabilities</i>	<u>80,655,902</u>	<u>348,604</u>	<u>81,004,506</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	7,982,725	311,501	8,294,226
Restricted for:			
Capital Projects	1,556,283	0	1,556,283
Debt Service	1,387,180	0	1,387,180
Set Asides	1,456,976	0	1,456,976
Other Purposes	691,877	0	691,877
Unrestricted (Deficit)	(6,635,259)	450,204	(6,185,055)
<i>Total Net Assets</i>	<u>\$6,439,782</u>	<u>\$761,705</u>	<u>\$7,201,487</u>

See accompanying notes to the basic financial statement:

**Berea City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2003

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Instruction:				
Regular	\$33,232,246	\$350,625	\$428,407	\$0
Special	6,578,655	564,515	572,640	0
Vocational	716,389	0	28,766	0
Support Services:				
Pupil	4,476,444	4,279	444,012	0
Instructional Staff	6,171,146	92,976	569,345	113,152
Board of Education	16,083	0	0	0
Administration	3,903,379	0	83,342	0
Fiscal	1,414,721	0	0	0
Business	932,494	84,419	0	0
Operation and Maintenance of Plant	7,654,007	158,178	0	45,500
Pupil Transportation	3,589,025	50,775	218,762	0
Central	1,670,260	0	27,837	0
Operation of Non-Instructional Services	826,940	0	793,504	0
Extracurricular Activities	1,325,683	289,971	46,293	0
Interest and Fiscal Charges	545,120	0	0	0
<i>Total Governmental Activities</i>	<u>73,052,592</u>	<u>1,595,738</u>	<u>3,212,908</u>	<u>158,652</u>
<b>Business-Type Activities</b>				
Food Service	2,291,722	1,474,696	541,393	0
Uniform School Supplies	40,013	40,958	0	0
Adult and Community Education	1,003,407	1,052,129	0	0
<i>Total Business-Type Activities</i>	<u>3,335,142</u>	<u>2,567,783</u>	<u>541,393</u>	<u>0</u>
<i>Totals</i>	<u>\$76,387,734</u>	<u>\$4,163,521</u>	<u>\$3,754,301</u>	<u>\$158,652</u>

**General Revenues**

Property Taxes Levied for:

  General Purposes

  Debt Service

  Capital Outlay

Grants and Entitlements not Restricted to Specific Program:

Investment Earnings

Miscellaneous

*Total General Revenues*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statement

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$32,453,214)	\$0	(\$32,453,214)
(5,441,500)	0	(5,441,500)
(687,623)	0	(687,623)
(4,028,153)	0	(4,028,153)
(5,395,673)	0	(5,395,673)
(16,083)	0	(16,083)
(3,820,037)	0	(3,820,037)
(1,414,721)	0	(1,414,721)
(848,075)	0	(848,075)
(7,450,329)	0	(7,450,329)
(3,319,488)	0	(3,319,488)
(1,642,423)	0	(1,642,423)
(33,436)	0	(33,436)
(989,419)	0	(989,419)
(545,120)	0	(545,120)
(68,085,294)	0	(68,085,294)
0	(275,633)	(275,633)
0	945	945
0	48,722	48,722
0	(225,966)	(225,966)
(68,085,294)	(225,966)	(68,311,260)
47,972,554	0	47,972,554
1,071,618	0	1,071,618
1,463,284	0	1,463,284
13,068,487	0	13,068,487
188,228	6,994	195,222
316,684	0	316,684
64,080,855	6,994	64,087,849
(4,004,439)	(218,972)	(4,223,411)
10,444,221	980,677	11,424,898
<u>\$6,439,782</u>	<u>\$761,705</u>	<u>\$7,201,487</u>

**Berea City School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2003*

	General	Debt Service	Permanent Improvement Capital Projects
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$317,826	\$801,168	\$2,067,086
Cash and Cash Equivalents			
With Escrow Agents	0	0	38,277
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,456,976	0	0
Receivables:			
Taxes	57,557,492	1,351,655	1,696,001
Accounts	45,247	0	0
Intergovernmental	1,030,486	0	0
Accrued Interest	5,542	0	0
Interfund Receivable	46,239	450,000	0
Prepaid Items	23,815	0	0
Materials and Supplies Inventory	216,998	0	0
<i>Total Assets</i>	<u>\$60,700,621</u>	<u>\$2,602,823</u>	<u>\$3,801,364</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$339,455	\$0	\$71,890
Contracts Payable	0	0	180,828
Accrued Wages	4,225,610	0	0
Matured Compensated Absences Payable	72,608	0	0
Retainage Payable	0	0	59,598
Interfund Payable	0	0	450,000
Intergovernmental Payable	1,482,757	0	0
Deferred Revenue	53,963,548	1,233,222	1,560,923
Accrued Interest Payable	0	0	4,537
<i>Total Liabilities</i>	<u>60,083,978</u>	<u>1,233,222</u>	<u>2,327,776</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	409,235	0	651,370
Reserved for Textbooks	1,456,976	0	0
Reserved for Unclaimed Monies	5,527	0	0
Reserved for Property Taxes	4,027,185	111,156	120,525
Unreserved, Undesignated, Reported in:			
General Fund (Deficit)	(5,282,280)	0	0
Special Revenue Funds	0	0	0
Debt Service Fund	0	1,258,445	0
Capital Projects Funds	0	0	701,693
<i>Total Fund Balances</i>	<u>616,643</u>	<u>1,369,601</u>	<u>1,473,588</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$60,700,621</u>	<u>\$2,602,823</u>	<u>\$3,801,364</u>

See accompanying notes to the basic financial statements



**Berea City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2003*

Other Governmental Funds	Total Governmental Funds		
		<b>Total Governmental Fund Balances</b>	<b>\$4,010,779</b>
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$830,858	\$4,016,938		
0	38,277	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	19,247,725
0	1,456,976	Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	
0	60,605,148	Taxes	2,152,235
0	45,247	Intergovernmental	156,616
197,314	1,227,800	Tuition and Fees	943,119
0	5,542	Rental	2,944
16,637	512,876		
0	23,815		
0	216,998	Total	3,254,914
<u>\$1,044,809</u>	<u>\$68,149,617</u>	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	(949,113)
\$222,690	\$634,035	Due to other government includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds	(676,758)
0	180,828		
39,539	4,265,149	Bond issuance costs will be amortized over the life of the bonds on the statement on net assets.	129,046
0	72,608		
0	59,598	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(44,865)
62,876	512,876		
12,141	1,494,898		
156,616	56,914,309	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
0	4,537	General Obligation Bonds	(11,265,000)
<u>493,862</u>	<u>64,138,838</u>	Compensated Absences	(6,125,201)
		Special Termination Benefit Payable	(1,012,699)
143,283	1,203,888	Accounting Gain on Refunded Bonds	(129,046)
0	1,456,976	Total	(18,531,946)
0	5,527		
0	4,258,866	<i>Net Assets of Governmental Activities</i>	<u><u>\$6,439,782</u></u>
0	(5,282,280)		
391,022	391,022		
0	1,258,445		
16,642	718,335		
<u>550,947</u>	<u>4,010,779</u>		
<u>\$1,044,809</u>	<u>\$68,149,617</u>		

**Berea City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2003*

	General	Debt Service	Permanent Improvement Capital Projects
<b>Revenues</b>			
Taxes	\$48,553,019	\$1,086,753	\$1,496,065
Intergovernmental	13,114,345	132,333	172,019
Interest	159,426	26,658	0
Tuition and Fees	1,035,963	0	0
Extracurricular Activities	25,034	0	0
Rentals	161,992	0	0
Charges for Services	24,674	0	0
Contributions and Donations	4,382	0	0
Miscellaneous	280,770	0	0
<i>Total Revenues</i>	<u>63,359,605</u>	<u>1,245,744</u>	<u>1,668,084</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	29,525,424	0	0
Special	6,006,248	0	0
Vocational	669,009	0	0
Support Services:			
Pupil	3,820,108	0	0
Instructional Staff	5,325,193	0	0
Board of Education	16,083	0	0
Administration	3,740,163	0	0
Fiscal	1,430,294	0	0
Business	906,249	0	0
Operation and Maintenance of Plant	7,528,099	0	0
Pupil Transportation	3,286,506	0	0
Central	1,606,383	0	0
Operation of Non-Instructional Services:	6,362	0	0
Extracurricular Activities	1,013,603	0	0
Capital Outlay	0	0	2,283,765
Debt Service:			
Principal Retirement	0	450,000	0
Interest and Fiscal Charges	0	519,996	8,547
Bond Issuance Cost	0	131,233	0
<i>Total Expenditures</i>	<u>64,879,724</u>	<u>1,101,229</u>	<u>2,292,312</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,520,119)</u>	<u>144,515</u>	<u>(624,228)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Bonds	0	9,205,000	0
Bond Premium	0	743,790	0
Payment to Refunded Bond Escrow Agent	0	(9,817,557)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>131,233</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(1,520,119)</u>	<u>275,748</u>	<u>(624,228)</u>
<i>Fund Balances Beginning of Year</i>	<u>2,136,762</u>	<u>1,093,853</u>	<u>2,097,816</u>
<i>Fund Balances End of Year</i>	<u>\$616,643</u>	<u>\$1,369,601</u>	<u>\$1,473,588</u>

See accompanying notes to the basic financial statement

**Berea 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*

Other Governmental Funds	Total Governmental Funds		
		<b>Net Change in Fund Balances - Total Governmental Funds</b>	(\$1,964,615)
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$0	\$51,135,837	Governmental funds report capital outlays as expenditures	
2,740,082	16,158,779	However, in the statement of activities, the cost of those	
1,668	187,752	assets is allocated over their estimated useful lives as	
0	1,035,963	depreciation expense. This is the amount by which depreciation	
445,046	470,080	exceeded capital outlay in the current period.	
0	161,992	Capital Asset Additions	726,128
0	24,674	Current Year Depreciation	<u>(1,782,428)</u>
175,204	179,586	Total	(1,056,300)
35,914	316,684		
<u>3,397,914</u>	<u>69,671,347</u>	Revenues in the statement of activities that do not provide current	
		financial resources are not reported as revenues in the funds	
		Taxes	(628,381)
		Accounts	(31,539)
457,871	29,983,295	Intergovernmental	<u>76,389</u>
433,503	6,439,751	Total	(583,531)
29,433	698,442		
443,177	4,263,285	Repayment of bond principal is an expenditure in the	
662,253	5,987,446	governmental funds, but the repayment reduces long-term	
0	16,083	liabilities in the statement of net assets	450,000
82,945	3,823,108		
0	1,430,294	In the statement of activities, interest is accrued on	
0	906,249	outstanding bonds, whereas in governmental funds, an	
0	7,528,099	interest expenditure is reported when due.	(16,577)
4,500	3,291,006		
13,033	1,619,416	Some expenses reported in the statement of activities	
830,767	837,129	such as compensated absences and intergovernmental	
337,186	1,350,789	payable which represents contractually required pension	
199,262	2,483,027	contributions, do not require the use of current financial	
		resources and therefore are not reported as expenditures	
		in governmental funds.	
0	450,000	Intergovernmental Payable	8,852
0	528,543	Compensated Absences Payable	<u>(301,073)</u>
0	131,233	Total	(292,221)
<u>3,493,930</u>	<u>71,767,195</u>		
(96,016)	(2,095,848)	The internal service fund used by management to charge	
		the costs of insurance to individual funds is not reported in	
0	9,205,000	the district-wide statement of activities. Governmental fund	
0	743,790	expenditures and the related internal service fund revenue	
0	(9,817,557)	are eliminated. The net revenue (expense) of the internal	
		service fund is allocated among the governmental activities	(541,195)
0	131,233	<i>Change in Net Assets of Governmental Activities</i>	<u>(\$4,004,439)</u>
(96,016)	(1,964,615)		
<u>646,963</u>	<u>5,975,394</u>		
<u>\$550,947</u>	<u>\$4,010,779</u>		

**Berea City School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General 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>		
<b>Revenues</b>				
Taxes	\$48,667,450	\$50,451,434	\$51,101,751	\$650,317
Intergovernmental	13,327,900	13,114,345	13,114,345	0
Interest	525,000	162,747	175,154	12,407
Tuition and Fees	1,235,605	1,019,196	1,041,461	22,265
Extracurricular Activities	320,000	20,040	25,034	4,994
Rentals	0	151,190	175,060	23,870
Charges for Services	529,545	24,674	24,674	0
Contributions and Donations	5,000	4,382	4,382	0
Miscellaneous	321,088	243,678	273,663	29,985
<i>Total Revenues</i>	<u>64,931,588</u>	<u>65,191,686</u>	<u>65,935,524</u>	<u>743,838</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	29,956,947	30,355,554	30,350,804	4,750
Special	5,536,278	6,044,319	6,043,117	1,202
Vocational	592,376	671,047	670,419	628
Support Services:				
Pupil	3,652,292	3,916,874	3,915,699	1,175
Instructional Staff	5,476,876	5,383,468	5,380,315	3,153
Board of Education	28,872	22,275	21,433	842
Administration	3,932,823	3,914,384	3,912,561	1,823
Fiscal	1,432,575	1,450,331	1,449,854	477
Business	1,176,416	1,004,294	1,000,006	4,288
Operation and Maintenance of Plant	8,283,521	7,671,686	7,671,124	562
Pupil Transportation	3,209,003	3,360,392	3,359,115	1,277
Central	1,991,321	2,001,539	2,001,006	533
Operation of Non-Instructional Services	6,000	6,362	6,362	0
Extracurricular Activities	919,469	1,023,134	1,023,077	57
<i>Total Expenditures</i>	<u>66,194,769</u>	<u>66,825,659</u>	<u>66,804,892</u>	<u>20,767</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(\$1,263,181)</u>	<u>(\$1,633,973)</u>	<u>(\$869,368)</u>	<u>\$764,605</u>

(continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses)</b>				
Advances In	\$5,000	\$9,759	\$9,759	\$0
Advances Out	(5,000)	(46,239)	(46,239)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(36,480)</u>	<u>(36,480)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,263,181)	(1,670,453)	(905,848)	764,605
<i>Fund Balance Beginning of Year</i>	1,532,071	1,532,071	1,532,071	0
Prior Year Encumbrances Appropriated	<u>513,195</u>	<u>513,195</u>	<u>513,195</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$782,085</u></u>	<u><u>\$374,813</u></u>	<u><u>\$1,139,418</u></u>	<u><u>\$764,605</u></u>

See accompanying notes to the basic financial statements.

**Berea City School District**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*June 30, 2003*

	Business-Type Activity Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Assets</b>		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$663,199	\$76,232
Receivables:		
Accounts	736	5,940
Intergovernmental	61,460	0
Inventory Held for Resale	36,033	0
Materials and Supplies Inventory	37,380	0
<i>Total Current Assets</i>	798,808	82,172
Capital Assets, Net	311,501	0
<i>Total Assets</i>	1,110,309	82,172
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	22,350	0
Accrued Wages	54,355	0
Compensated Absences Payable	6,965	0
Intergovernmental Payable	97,139	0
Claims Payable	0	1,031,285
<i>Total Current Liabilities</i>	180,809	1,031,285
Long-Term Liabilities:		
Compensated Absences Payable	167,795	0
<i>Total Liabilities</i>	348,604	1,031,285
<b>Net Assets</b>		
Invested in Capital Assets	311,501	0
Unrestricted (Deficit)	450,204	(949,113)
<i>Total Net Assets (Deficit)</i>	\$761,705	(\$949,113)

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2003*

	Business-Type Activity Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Operating Revenues</b>		
Tuition	\$1,052,129	\$0
Sales	1,515,654	0
Charges for Services	0	6,906,105
<i>Total Operating Revenues</i>	<u>2,567,783</u>	<u>6,906,105</u>
<b>Operating Expenses</b>		
Salaries	1,452,863	0
Fringe Benefits	456,173	0
Purchased Services	232,323	760,762
Materials and Supplies	376,771	0
Cost of Sales	770,070	0
Depreciation	39,251	0
Claims	0	6,687,014
Other	7,691	0
<i>Total Operating Expenses</i>	<u>3,335,142</u>	<u>7,447,776</u>
<i>Operating Loss</i>	<u>(767,359)</u>	<u>(541,671)</u>
<b>Non-Operating Revenues</b>		
Donated Commodities	138,801	0
Interest	6,994	476
Operating Grants	402,592	0
<i>Total Non-Operating Revenues</i>	<u>548,387</u>	<u>476</u>
<i>Change in Net Assets</i>	(218,972)	(541,195)
<i>Net Assets Beginning of Year</i>	<u>980,677</u>	<u>(407,918)</u>
<i>Net Assets End of Year</i>	<u>\$761,705</u>	<u>(\$949,113)</u>

**Berea City School District**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Fiscal Year Ended June 30, 2003

	Business-Type Activity Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$2,561,004	\$0
Cash Received from Other Funds	0	6,903,740
Other Cash Receipts	0	0
Cash Payments to Employees for Services	(1,422,901)	0
Cash Payments for Employee Benefits	(443,446)	0
Cash Payments for Goods and Services	(1,252,141)	(760,762)
Cash Payments for Claims	0	(6,554,317)
Other Cash Payments	(7,691)	0
<i>Net Cash Used in Operating Activities</i>	(565,175)	(411,339)
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating Grants Received	399,493	0
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payments for Capital Acquisitions	(26,504)	0
<b>Cash Flows from Investing Activities</b>		
Interest on Investments	6,994	476
<i>Net Decrease in Cash and Cash Equivalents</i>	(185,192)	(410,863)
<i>Cash and Cash Equivalents Beginning of Year</i>	848,391	487,095
<i>Cash and Cash Equivalents End of Year</i>	\$663,199	\$76,232

(continued)



**Berea City School District**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Fiscal Year Ended June 30, 2003*

	Business-Type Activity Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating Loss	(\$767,359)	(\$541,671)
Adjustments:		
Depreciation	39,251	0
Donated Commodities Received During Year	138,801	0
(Increase) Decrease in Assets:		
Accounts Receivable	(6,779)	(2,365)
Inventory Held for Resale	5,413	0
Materials and Supplies Inventory	1,727	0
Increase (Decrease) in Liabilities:		
Accounts Payable	(19,738)	0
Accrued Wages	16,364	0
Compensated Absences Payable	13,598	0
Intergovernmental Payable	13,547	0
Claims Payable	0	132,697
<i>Net Cash Used in Operating Activities</i>	<u>(\$565,175)</u>	<u>(\$411,339)</u>

Non Cash Non Capital Financing Activities:  
Federal Donated Commodities in the amount of \$138,801 were recorded as revenue when received in the food service fund.

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2003*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalent:	\$12,994	\$197,682
<b>Liabilities</b>		
Undistributed Monies	0	\$15,974
Due to Students	0	181,708
<i>Total Liabilities</i>	0	\$197,682
<b>Net Assets</b>		
Held in Trust for Scholarships	12,994	
<i>Total Net Assets</i>	\$12,994	

See accompanying notes to the basic financial statement

**Berea City School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2003*

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	<u>Scholarship</u>
<b>Additions</b>	
Interest	\$189
<b>Deductions</b>	
Scholarships Awarded	<u>210</u>
<i>Change in Net Assets</i>	(21)
<i>Net Assets Beginning of Year</i>	<u>13,015</u>
<i>Net Assets End of Year</i>	<u><u>\$12,994</u></u>

See accompanying notes to the basic financial statement

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**Note 1 - Description of the School District and Reporting Entity**

Berea City School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by the State and federal agencies. This Board of Education controls the School District's eleven instructional/support facilities staffed by 605 classified employees, 612 certificated full-time personnel, and 64 administrators who provide services to 7,561 students and other community members.

***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 are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Berea City School District, this includes general operations, food service, preschool, community services, and student related activities of the School District. The following activity is also included within the reporting entity.

***Nonpublic Schools*** Within the School District boundaries, St. Mary's, St. Bartholomew's and St. Adalbert are operated through the Catholic diocese. The Greater Cleveland Christian School, Scribes and Scribblers, Lewis Little Folks and Family Life Center are also within School District boundaries. Current State legislation provides 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 their budget, the issuance of their debt or the levying of their 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 Berea, Middleburg Heights and Brook Park*** The city governments of Berea, Middleburg Heights and Brook Park are separate bodies politic and corporate. An elected mayor and council administer the provision of traditional city services. Council acts as the taxing and budgeting authority.

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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The School District participates in three jointly governed organizations and one public entity risk pool. These organizations are presented in Note 17 to the financial statements. These organizations are:

Jointly Governed Organizations:

Polaris Career Center  
Educational Community Foundation  
Ohio Schools' Council Association

Public Entity Risk Pool:

Ohio School Boards Association Workers' Compensation Group Rating Program

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of Berea City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial 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 and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The School District has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989 to its governmental and business-type activities and to its proprietary funds. The most significant of the School District's accounting policies are described below.

**A. Fund Accounting**

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

**Governmental Funds** Governmental funds focus 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 used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Debt Service Fund** The debt service fund is used to account for the accumulation of resources received from property taxes for the payment of school improvement general obligation bond, principal, interest and related costs.

**Permanent Improvement Capital Projects Fund** The permanent improvement capital projects fund accounts for resources received from property taxes to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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

**Proprietary Funds** Proprietary funds focus on the determination of operating income/loss, changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

**Enterprise Funds** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's enterprise funds are used to account for food service operations, uniform school supplies and adult and community education.

**Internal Service Funds** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The only internal service fund of the School District accounts for a self-insurance program which provides medical, dental and vision benefits to employees.

**Fiduciary Funds** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds are student activities, employee benefits and staff services.

**B. 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. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of 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 business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**Fund Financial Statements** Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of 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 activities.

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

**C. 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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and the presentation of expenses versus expenditure.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at 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.

Delinquent property taxes and 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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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.

***D. Cash and Cash Equivalents***

Cash received by the School District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. The School District also utilizes an escrow agent to hold retainage on construction contracts. The balances in these accounts are presented on the financial statements as "cash and cash equivalents with escrow agents" and represents deposits or short-term investments in certificates of deposit.

During fiscal year 2003, investments were limited to Federal Home Loan Bank Bonds, Federal National Mortgage Association Notes, Federal Farm Credit Bank Notes, Certificates of Deposit, overnight Repurchase Agreements, Victory Money Market Mutual fund and STAR Ohio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund's share price. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

Berea City School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio'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, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$159,426, which includes \$96,661 assigned from other School District funds.

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

***E. Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by State statute to be set aside for textbooks and instructional materials. See Note 18 for additional information regarding set-asides.

***F. 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. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.



**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**G. Inventory**

On the government-wide financial statements inventories are presented at cost on a first-in, first-out basis and are expensed when used. On fund financial statements, inventories of governmental funds are stated at cost, while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and is expensed/expended when used.

Inventories consist of donated food, purchased food, school supplies held for resale and materials and supplies held for consumption.

**H. Deferred Charges**

Bond issuances costs are deferred and amortized over the term of the bonds using the straight-line method.

**I. Gain on Refunding**

The difference between the reacquisition price (funds required to refund the old debt) of the school improvement refunding bonds and the net carrying amount of the old debt, the gain on refunding, is being amortized as a component of interest expense. This accounting gain is amortized over the remaining life of the new debt.

**J. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

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. Interest incurred during the construction of capital assets is also capitalized.

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	Business-Type Activities Estimated Lives
Land Improvements	30 years	N/A
Buildings and Improvements	10 - 30 years	N/A
Furniture and Equipment	5 - 12 years	12 years
Vehicles	10 years	N/A
Textbooks	5 years	N/A

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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***K. Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***L. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is 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 or funds from which the employees who have accumulated the leave are paid.

***M. 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.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences and special termination benefits 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 fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due.

***N. Fund Balance Reserves***

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. Under Ohio law, unclaimed money must be held for five years before it becomes available for appropriation. Money not yet held for the five year period is presented as reserved. The reserve for textbooks represents money required to be set-aside by state statute for the purchase of textbooks and instructional materials.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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***O. Net Assets***

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

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

***P. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are tuition and miscellaneous for adult education and youths and preschoolers classes, sales and miscellaneous for food service and uniform school supplies, and 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. Revenues and expenses not meeting this definition are reported as non-operating.

***Q. Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

***R. Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***S. 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.

***T. Estimates***

The preparation of the 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**U. 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 object level within each fund and function.

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

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 year.

**Note 3 – Change in Accounting Principle**

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 government 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 special revenue fund. This statement was not applicable to the School District for fiscal year 2003.

**Note 4 –Legal Compliance and Accountability**

**A. Legal Compliance**

Contrary to Section 5705.39, Ohio Revised Code, the following funds had original appropriations in excess of original estimated revenues and carryover balances:

Fund	Original Estimated Resources Plus Carryover Balances	Original Appropriations	Excess
<b>Major Fund</b>			
Debt Service	\$2,305,599	\$11,077,716	(\$8,772,117)
<b>Nonmajor Funds</b>			
Title VI-B	662,406	881,356	(218,950)
Preschool at Risk	221,469	229,865	(8,396)
Preschool	35,500	39,904	(4,404)
Title V	34,434	36,602	(2,168)
School Professional Development	303	3,450	(3,147)
Telecommunity Grant	72,963	126,962	(53,999)
Title IIA	85,000	172,699	(87,699)
School Net	80,063	112,728	(32,665)

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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These violations were corrected by year end, except the debt service fund which had final appropriations in excess of final estimated resources in the amount of (\$8,706,850).

**B. Accountability**

**Fund Deficit** Fund balances/net assets at June 30, 2003 included the following individual fund deficits:

	<u>Deficit</u>
<b>Special Revenue Fund</b>	
Title IIA	(\$28,627)
Internal Service Fund	(949,113)

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

The deficit in the internal service fund resulted from an adjustment for accrued liabilities. The School District continues to examine ways to maintain the self-insurance fund at 115 percent incurred liabilities. The School District is examining the additional amount of funds needed through the Health Benefits Committee. At the present time a recommendation is being shared with the School District's employees.

**Note 5 - Budgetary Basis of Accounting**

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

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

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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Net Change in Fund Balance	
GAAP Basis	(\$1,520,119)
Net Adjustment for Revenue Accruals	2,574,359
Advances In	9,759
Fair Value Adjustment for Investments	1,560
Net Adjustment for Expenditure Accruals	(1,291,344)
Advances Out	(46,239)
Adjustment for Encumbrances	<u>(633,824)</u>
Budget Basis	<u><u>(\$905,848)</u></u>

**Note 6 - 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 annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2004 tangible personal property tax settlement was not received until July 2003.

The School District receives property taxes from Cuyahoga County. The County Auditors periodically advance 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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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 \$4,027,185 in the general fund, \$111,156 in the debt service fund, and \$120,525 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2002, was \$6,350,107 in the general fund, \$188,838 in the debt service fund, and \$229,449 in the permanent improvement capital projects fund. The difference was in timing and collection by the County Auditor.

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

On November 5, 2002 the voters approved a 5.9 mill continuing operating levy. Collections on this additional levy began in January of 2003.

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	\$1,216,757,830	82.52%	\$1,224,546,650	83.72%
Public Utility Personal	46,168,740	3.13	38,752,080	2.65
Tangible Personal Property	211,623,911	14.35	199,438,922	13.63
<b>Total</b>	<b>\$1,474,550,481</b>	<b>100.00 %</b>	<b>\$1,462,737,652</b>	<b>100.00%</b>
Tax rate per \$1,000 of assessed valuation	\$63.80		\$69.80	

**Note 7- 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 monies 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies 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 the 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 are 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 payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation 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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".



**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**Undeposited Cash** At year-end, the School District's had \$16,559 in undeposited cash on hand which is included as part of "equity in pooled cash and cash equivalents."

**Deposits** At year-end, the carrying amount of the School District's deposits was \$540,908 and the bank balance was \$1,535,514. \$238,277 of the bank balance was covered by federal depository insurance and \$1,297,237 was uninsured and uncollateralized. Although 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 Federal Deposit Insurance Corporation.

**Investments** The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at 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 for which securities are held by the counterparty's trust department or an 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. Investments in the Victory Money Market Mutual Fund and in STAR Ohio are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying and Fair Value
Federal Farm Credit Bank Notes	\$1,001,560	\$1,001,560
Repurchase Agreements	2,364,000	2,364,000
Investment in State Treasurer's Investment Pool		2,539,271
Total	\$3,365,560	\$5,904,831

The classification of cash and cash equivalents, and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the basic financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$6,462,298	\$0
Undeposited Cash	(16,559)	0
Investments which are part of a cash management pool:		
Federal Farm Credit Bank Notes	(1,001,560)	1,001,560
Repurchase Agreement	(2,364,000)	2,364,000
Investment in State Treasurer's Investment Pool	(2,539,271)	2,539,271
GASB Statement 3	\$540,908	\$5,904,831

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**Note 8 - Capital Assets**

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

	<u>Balance 6/30/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/03</u>
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$920,067	\$0	\$0	\$920,067
 <i>Capital Assets, being depreciated:</i>				
Land Improvements	2,483,110	124,976	0	2,608,086
Buildings and Improvements	42,350,095	304,727	0	42,654,822
Furniture and Equipment	12,360,495	251,554	(56,414)	12,555,635
Vehicles	3,650,581	0	0	3,650,581
Textbooks	8,016,942	44,871	0	8,061,813
<i>Total Capital Assets, being depreciated</i>	<u>68,861,223</u>	<u>726,128</u>	<u>(56,414)</u>	<u>69,530,937</u>
Less Accumulated Depreciation:				
Land Improvements	(902,283)	(86,936)	\$0	(989,219)
Buildings and Improvements	(28,032,501)	(749,974)	0	(28,782,475)
Furniture and Equipment	(10,892,689)	(428,763)	56,414	(11,265,038)
Vehicles	(2,705,721)	(185,565)	0	(2,891,286)
Textbooks	(6,944,071)	(331,190)	0	(7,275,261)
Total Accumulated Depreciation	<u>(49,477,265)</u>	<u>(1,782,428)*</u>	<u>56,414</u>	<u>(51,203,279)</u>
Total Capital Assets being depreciated, net	<u>19,383,958</u>	<u>(1,056,300)</u>	<u>0</u>	<u>18,327,658</u>
Governmental Activities Capital Assets, Net	<u>\$20,304,025</u>	<u>(\$1,056,300)</u>	<u>\$0</u>	<u>\$19,247,725</u>
 <b>Business-Type Activities</b>				
Furniture and Equipment	\$879,692	\$26,504	\$0	\$906,196
Less Accumulated Depreciation	<u>(555,444)</u>	<u>(39,251)</u>	<u>0</u>	<u>(594,695)</u>
Business-Type Activities Capital Assets, Net	<u>\$324,248</u>	<u>(\$12,747)</u>	<u>\$0</u>	<u>\$311,501</u>

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	826,540
Special	91,632
Vocational	6,880
Support Services:	
Pupil	39,923
Instructional Staff	289,917
Administration	52,957
Fiscal	7,329
Business	24,659
Operation and Maintenance of Plant	107,483
Pupil Transportation	243,383
Central	43,325
Operation of Non-Instructional Services	36,611
Extracurricular Activities	11,789
Total Depreciation Expense	\$1,782,428

Depreciation expense was charged to the food service and adult and community education business-type activities in the amount of \$38,346 and \$905 respectively.

**Note 9 - Interfund Balances**

The interfund balances at June 30, 2003 were as follows:

Interfund Payable	Interfund Receivable				Total
	General	Debt Service	Title I	Title IIA	
<i>Governmental Activities</i>					
Preschool	\$342	\$0	\$0	\$0	\$342
Title I	23,977	0	0	0	23,977
Drug Free Schools	3,731	0	0	3,637	7,368
Title IIA	18,189	0	0	0	18,189
Title V	0	0	11,500	1,500	13,000
Permanent Improvement	0	450,000	0	0	450,000
<i>Total</i>	\$46,239	\$450,000	\$11,500	\$5,137	\$512,876

The interfund transactions between general and nonmajor special revenue funds are due to the timing of the receipt of grant monies. The \$450,000 interfund transaction between the debt service and permanent improvement capital projects fund is a manuscript note.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**Note 10 – Receivables**

Receivables at June 30, 2003, consisted of taxes, accounts (rent and student fees), intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the non-payment of taxes, the stable condition of state programs and the current fiscal year guarantee of federal funds. All receivables are expected to be collected in one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<b>General Fund</b>	
Tuition and Fees	\$958,190
Miscellaneous	72,296
<i>Total General Fund</i>	1,030,486
<b>Special Revenue Funds</b>	
Title I	62,941
Preschool	9,628
Title V	10,841
Drug Free Schools	22,538
Title IIA	91,366
<i>Total Special Revenue Funds</i>	197,314
<b>Enterprise Funds</b>	
Food Service	55,417
Adult and Community Education	6,043
<i>Total Enterprise Funds</i>	61,460
<i>Total</i>	<b>\$1,289,260</b>

**Note 11 - 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 contracted with Todd Associates, Inc. for Property (Fire and Extended Coverage) through Indiana Insurance and for Boiler and Machinery coverage through Travelers Insurance. Both of these policies are part of the Council of Schools group purchasing plan.

General liability coverage including sexual misconduct and molestation, and school leaders errors and omissions employment practices are through Todd Associates with Indiana Insurance carrying the policy with a \$1,000,000 claims made coverage and a \$10,000,000 umbrella extending also over the District's fleet insurance.

Vehicles are covered by Indiana Insurance and have a \$1,000 deductible for comprehensive and collision. This insurance includes a bodily injury and property damage combined single limit of \$2,000,000 with a \$10,000,000 umbrella, \$50,000 uninsured/underinsured motorist, and \$15,000 medical payments.

The start of the policy year for liability insurance was adjusted from February 1 to July 1 to coincide with property and fleet time lines. Settled claims have not exceeded this commercial coverage in any of the past ten years. There have been no significant reductions in insurance coverage from the prior year.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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***B. Workers' Compensation***

For fiscal year 2003 the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). 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. Employee Medical Benefits***

The School District operates and manages employee medical, dental and vision benefits on a self-insured basis. Commencing October 1, 1997 the School District converted its fully-insured medical insurance program to a self-insured basis. The dental and vision program limits total expenditures for any covered individual in a calendar year, therefore there is no individual or aggregate stop-loss maintained. Medical Mutual of Ohio provides claim review and processing.

The School District maintains stop-loss coverage for its medical insurance program. Aggregate stop loss is maintained at 115 percent of expected claims. The aggregate stop-loss was not met in 2003. Medical Mutual of Ohio provides claim review and processing for the medical insurance program as well.

The claims liability at June 30, 2003 estimated by the third party administrator to be \$1,031,285, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount in fiscal year 2002 and 2003 were:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2002	\$726,264	\$5,585,909	\$5,413,585	\$898,588
2003	\$898,588	\$6,687,014	\$6,554,317	\$1,031,285

**Note 12 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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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 \$1,041,755, \$703,612 and \$520,553 respectively; 51.39 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.

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 \$4,279,129, \$3,082,540, and \$ 3,031,631 respectively; 86.18 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 \$25,926 made by the School District and \$40,098 made by the plan members.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**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, 2002, one of the members of the Board of Education has elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Note 13- Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are 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 \$329,164 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 \$14,500. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$747,091.

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.

**Note 14 – 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-five 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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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 one fourth of the total sick leave accumulation, up to a maximum accumulation of 95 days. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

***B. Special Termination Benefit***

The School District Board of Education offered employees participation in an Early Retirement Incentive program. Participation was open to employees between September 13, 1999 through October 29, 1999 who were at least fifty years old and qualified for retirement. Those employees who elected to retire under this plan will receive \$34,250. This amount, along with the employee's severance, will be placed in an account and distributed to the employee over a period of ten years, commencing with their leaving the School District on June 30, 2001. The account will be managed by a third party administrator.

***C. Health and Life Insurance***

The School District operates and manages employee medical benefits on a self-insured basis. Medical Mutual of Ohio provides claim review and processing.

The School District continues to offer a fully insured HMO option for those employees who do not wish to participate in the self-insured plan. Fewer than five percent of employees seek this option.

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance Company. The amounts provided for certified employees equal the employee's annual salary. The amounts provided for classified employees equal the employees' annual salary or range from \$12,000 to \$20,000 for base salaries less than \$20,000.

**Note 15 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***

Berea 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.



**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

**Note 16 – Long – Term Liabilities**

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
<b>Governmental Activities</b>					
General Obligation Bonds:					
1993 School Improvement	\$11,715,000	\$0	\$9,655,000	\$2,060,000	\$575,000
2003 School Improvement Refunding	0	9,205,000	0	9,205,000	0
Unamortized Accounting Gain	0	131,233	2,187	129,046	0
Total General Obligation Bonds	<u>11,715,000</u>	<u>9,336,233</u>	<u>9,657,187</u>	<u>11,394,046</u>	<u>575,000</u>
Compensated Absences	5,824,128	1,441,002	1,139,929	6,125,201	460,648
Special Termination Benefit	<u>1,387,987</u>	<u>0</u>	<u>375,288</u>	<u>1,012,699</u>	<u>349,550</u>
Total Governmental Activities Long-Term Liabilities	<u>\$18,927,115</u>	<u>\$10,777,235</u>	<u>\$11,172,404</u>	<u>\$18,531,946</u>	<u>\$1,385,198</u>
<b>Business-Type Activities</b>					
Compensated Absences	<u>\$161,162</u>	<u>\$20,995</u>	<u>\$7,397</u>	<u>\$174,760</u>	<u>\$6,965</u>

On April 1, 1993, the School District issued \$14,575,000, 5.0 - 7.5 percent general obligation bonds. These bonds were issued to fund various school improvements and will be paid from property taxes.

On March 1, 2003, the School District issued \$9,205,000 in general obligation bonds with interest rates varying from 2.00 percent to 4.70 percent. Proceeds were used to refund \$9,205,000 of the outstanding 1993 School Improvement Bonds.

The bonds were sold at a premium of \$743,790. Proceeds of \$9,817,557 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payment on the refunded portion of the 1993 School Improvement bonds. As a result, \$9,205,000 of these bonds are considered defeased.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$131,233. This difference, being reported as a deferral in the accompanying financial statements, is being charged to operations through year 2018 using the straight-line method. The School District completed the refunding to reduce its total debt service payments over the next 16 years by \$1,031,844 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$810,049.

Compensated absences will be paid from the general fund, the food service and the adult and community education enterprise funds. The special termination benefit will be paid from the general fund.

At June 30, 2003 the School District’s overall legal debt margin was \$121,750,990 with an unvoted debt margin of \$1,462,738. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2003 are as follows:

**Berea City School District**  
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Fiscal Year Ending June 30	General Obligation Bonds		Total
	Principal	Interest	
2004	\$575,000	\$516,820	\$1,091,820
2005	595,000	472,945	1,067,945
2006	620,000	427,382	1,047,382
2007	725,000	389,457	1,114,457
2008	730,000	364,927	1,094,927
2009 – 2013	3,785,000	1,437,798	5,222,798
2014 – 2018	4,235,000	519,200	4,754,200
Total	\$11,265,000	\$4,128,529	\$15,393,529

**Note 17- Jointly Governed Organizations and Public Entity Risk Pool**

***A. Jointly Governed Organizations***

Polaris Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The board of education is comprised of representatives from the board of each participating school district. The board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. Berea City School District students may attend the vocational school. Each School District's control is limited to its representation on the board.

The Educational Community Foundation (Foundation) is a jointly governed organization established to support and enhance educational opportunities for the youth of the communities served by the Berea City School District. The trustees of the Foundation consist of the following voting members: one Berea Board of Education representative; an employee of Berea City School District to be selected by the Superintendent; two students, from any of the communities served by the Berea City School District; a representative from the PTA; one representative each from the City of Berea, City of Brook Park, and City of Middleburg Heights; a representative from the business/service communities; an at-large representative to be selected by the President of the Board of Trustees; and a representative of Baldwin-Wallace College. Each Trustee has one vote. The Board of Trustees of the Foundation may select any number of Honorary Trustees. Honorary Trustees are non-voting members. The board is responsible for approving its own budgets, accounting and finance related activities and appointing personnel.

The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-two school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. During fiscal year 2003 the School District paid \$4,615 to the Council. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school district 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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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 its agreement, the School District is required to repay savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corporation.

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

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.

***B. Public Entity Risk Pool***

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (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.

**Note 18 - Set-Aside Calculations**

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 year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the 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	\$795,483
Current year set-aside requirements	1,050,309	1,050,309
Qualifying Disbursements	2,110,528	388,816
Total	(\$1,060,219)	\$1,456,976
Set-aside Reserve Balance as of June 30, 2003	\$0	\$1,456,976

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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

**Note 19 – 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 plan 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 its financial operations.

**Note 20 – Contractual Commitments**

At June 30, 2003 the School District had \$868,953 in contractual commitments for various improvements within the School District.

## **Berea City School District**

### ***Combining Statements – Nonmajor Governmental 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:

**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.

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

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

**District Managed Student Activities Fund** This fund accounts for gate receipts and revenues from athletic events and costs (except supplemental coaching contracts) of the School District's athletic program.

**Preschool At Risk Fund** This fund accounts for State monies used to provide preschool education for students of low income families.

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

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

**Preschool Fund** This fund accounts for federal revenues used for speech therapy services and instructional supplies used in preschool programs.

**Entry Year Teacher Grant Fund-** This fund accounts for State monies used for mentoring, and assessment of the entry year teacher.

**Teacher Development Fund** This fund accounts for state grant monies used to support locally developed teacher training and professional development.

**Title V Fund** This fund accounts for federal revenues which support implementation of programs such as computer education, gifted and talented programs, in-service and staff development.

**Drug Free Schools Fund** This fund accounts for federal revenues which support the implementation of drug abuse education and prevention programs

**Ohio Reads Fund** This fund accounts for state grant monies intended to supplement the Districts reading programs.

(continued)

## **Berea City School District**

### ***Nonmajor Special Revenue Funds*** (continued)

**.Other** Smaller Special Revenue Funds operated by the School District and subsidized in part by local, state and federal monies as well as miscellaneous sources. These funds are as follows:

Educational Management Information Systems (EMIS) Fund  
Teacher Training and Development Fund  
Education for Economic Security Act Fund  
School Professional Development Fund  
Technology IID Fund  
Parent Mentor Grant Fund  
School Improvement Grant Fund  
Safe School Helpline Fund  
Assistive Technology Grant Fund  
Telecommunity Grant Fund  
Title VIR Fund  
Title IIA Fund

### ***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 (other than those financed by proprietary funds). Following is a description of the nonmajor capital projects funds:

**Building Fund** This fund accounts for the 1993 school improvement bond proceeds to be used for the acquisition, construction, or improvement of capital facilities.

**School Net Fund** This fund accounts for state grant monies used to purchase computer hardware and software.

**Network Connectivity Fund** This fund accounts for state grant monies expended to complete and enhance the District's computer network.

**Interactive Video Lab Fund** This fund accounts for state grant funds used for the procurement of videoconferencing technology.

## *Combining Statements – Nonmajor Business-Type Activity Funds*

### *Nonmajor Enterprise Funds*

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. Following is a description of the nonmajor enterprise funds:

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

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

**Adult and Community Education Fund** This fund accounts for the educational opportunities offered on a tuition basis to preschoolers, youths and adults living within the community.

### *Fiduciary Funds*

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

### *Agency Funds*

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

**Employee Benefits Fund** This fund accounts for monies withheld from employees paychecks for future child care and health care services purchased by the employee.

**Staff Services Fund** This fund accounts for purchases of supplies on behalf of employees of the School District.

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent:	\$793,120	\$37,738	\$830,858
Receivables:			
Intergovernmental Receivable	197,314	0	197,314
Interfund Receivable	16,637	0	16,637
<i>Total Assets</i>	<u>\$1,007,071</u>	<u>\$37,738</u>	<u>\$1,044,809</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$206,871	\$15,819	\$222,690
Accrued Wages	38,920	619	39,539
Interfund Payable	62,876	0	62,876
Intergovernmental Payable	12,054	87	12,141
Deferred Revenue	156,616	0	156,616
<i>Total Liabilities</i>	<u>477,337</u>	<u>16,525</u>	<u>493,862</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	138,712	4,571	143,283
Unreserved, Undesignated, Reported in			
Special Revenue Funds	391,022	0	391,022
Capital Projects Funds	0	16,642	16,642
<i>Total Fund Balances</i>	<u>529,734</u>	<u>21,213</u>	<u>550,947</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,007,071</u>	<u>\$37,738</u>	<u>\$1,044,809</u>



**Berea 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
<b>Revenues</b>			
Intergovernmental	\$2,581,430	\$158,652	\$2,740,082
Interest	561	1,107	1,668
Extracurricular Activities	445,046	0	445,046
Contributions and Donations	175,204	0	175,204
Miscellaneous	35,914	0	35,914
<i>Total Revenues</i>	<u>3,238,155</u>	<u>159,759</u>	<u>3,397,914</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	457,871	0	457,871
Special	433,503	0	433,503
Vocational	29,433	0	29,433
Support Services:			
Pupil	443,177	0	443,177
Instructional Staff	662,253	0	662,253
Administration	82,945	0	82,945
Pupil Transportation	4,500	0	4,500
Central	13,033	0	13,033
Operation of Non-Instructional Services:	830,767	0	830,767
Extracurricular Activities	337,186	0	337,186
Capital Outlay	0	199,262	199,262
<i>Total Expenditures</i>	<u>3,294,668</u>	<u>199,262</u>	<u>3,493,930</u>
<i>Net Change in Fund Balances</i>	(56,513)	(39,503)	(96,016)
<i>Fund Balances Beginning of Year</i>	<u>586,247</u>	<u>60,716</u>	<u>646,963</u>
<i>Fund Balances End of Year</i>	<u><u>\$529,734</u></u>	<u><u>\$21,213</u></u>	<u><u>\$550,947</u></u>

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2003*

	Title VI-B	Auxiliary Services	Title I
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent	\$117,316	\$86,343	\$3,194
Intergovernmental Receivable	0	0	62,941
Interfund Receivable	0	0	11,500
<i>Total Assets</i>	<u>\$117,316</u>	<u>\$86,343</u>	<u>\$77,635</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$47,788	\$56,217	\$506
Accrued Wages	12,571	0	51
Interfund Payable	0	0	23,977
Intergovernmental Payable	2,881	0	7
Deferred Revenue	0	0	45,304
<i>Total Liabilities</i>	<u>63,240</u>	<u>56,217</u>	<u>69,845</u>
 <b>Fund Balances</b>			
Reserved for Encumbrances	52,786	21,569	2,688
Unreserved, Undesignated (Deficit)	1,290	8,557	5,102
<i>Total Fund Balances (Deficit)</i>	<u>54,076</u>	<u>30,126</u>	<u>7,790</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$117,316</u>	<u>\$86,343</u>	<u>\$77,635</u>

District Managed Student Activities	Preschool At Risk	Public School Support
\$138,784	\$199	\$145,816
0	0	0
0	0	0
<u>\$138,784</u>	<u>\$199</u>	<u>\$145,816</u>
\$2,683	\$0	\$3,091
0	0	0
0	0	0
0	0	0
0	0	0
<u>2,683</u>	<u>0</u>	<u>3,091</u>
8,901	47	10,190
127,200	152	132,535
<u>136,101</u>	<u>199</u>	<u>142,725</u>
<u>\$138,784</u>	<u>\$199</u>	<u>\$145,816</u>

(continued)

**Berea City Schools**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (continued)  
June 30, 2003

	Local Grants	Preschool	Entry Year Teacher Grant
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent	\$57,006	\$5,095	\$2,000
Intergovernmental Receivable	0	9,628	0
Interfund Receivable	0	0	0
<i>Total Assets</i>	<u>\$57,006</u>	<u>\$14,723</u>	<u>\$2,000</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$350	\$3,318	0
Accrued Wages	3,630	2,876	0
Interfund Payable	0	342	0
Intergovernmental Payable	0	403	0
Deferred Revenue	0	5,296	0
<i>Total Liabilities</i>	<u>3,980</u>	<u>12,235</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	1,332	1,777	0
Unreserved, Undesignated (Deficit)	51,694	711	2,000
<i>Total Fund Balances (Deficit)</i>	<u>53,026</u>	<u>2,488</u>	<u>2,000</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$57,006</u>	<u>\$14,723</u>	<u>\$2,000</u>

Teacher Development	Title V	Drug Free Schools
\$2,084	\$6,816	\$13,446
0	10,841	22,538
0	0	0
<u>\$2,084</u>	<u>\$17,657</u>	<u>\$35,984</u>
\$0	\$3,202	\$0
0	0	0
0	13,000	7,368
0	0	5,992
0	0	9,513
<u>0</u>	<u>16,202</u>	<u>22,873</u>
0	429	7,454
<u>2,084</u>	<u>1,026</u>	<u>5,657</u>
<u>2,084</u>	<u>1,455</u>	<u>13,111</u>
<u>\$2,084</u>	<u>\$17,657</u>	<u>\$35,984</u>

(continued)

**Berea City Schools**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (continued)  
June 30, 2003

	Ohio Reads	EMIS	Teacher Training and Development
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent	\$16,939	\$72,112	\$305
Intergovernmental Receivable	0	0	0
Interfund Receivable	0	0	0
<i>Total Assets</i>	<u>\$16,939</u>	<u>\$72,112</u>	<u>\$305</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$11,529	\$10,523	\$0
Accrued Wages	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>11,529</u>	<u>10,523</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	961	13,896	0
Unreserved, Undesignated (Deficit)	4,449	47,693	305
<i>Total Fund Balances (Deficit)</i>	<u>5,410</u>	<u>61,589</u>	<u>305</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$16,939</u>	<u>\$72,112</u>	<u>\$305</u>

School Professional Development	Technology IID	Parent Mentor Grant
\$4,903	\$101	\$4,195
0	0	0
0	0	0
<u>\$4,903</u>	<u>\$101</u>	<u>\$4,195</u>
\$0	\$0	\$0
0	0	0
0	0	0
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
0	0	909
4,903	101	3,286
<u>4,903</u>	<u>101</u>	<u>4,195</u>
<u>\$4,903</u>	<u>\$101</u>	<u>\$4,195</u>

(continued)

**Berea City Schools**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (continued)  
June 30, 2003

	School Improvement Grant	Safe School Helpline	Assistive Technology Grant
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent	\$90	\$27	\$10,278
Intergovernmental Receivable	0	0	0
Interfund Receivable	0	0	0
<i>Total Assets</i>	<u>\$90</u>	<u>\$27</u>	<u>\$10,278</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrance:	0	0	77
Unreserved, Undesignated (Deficit)	90	27	10,201
<i>Total Fund Balances (Deficit)</i>	<u>90</u>	<u>27</u>	<u>10,278</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$90</u>	<u>\$27</u>	<u>\$10,278</u>



Telecommunity Grant	Title IIA	Total Nonmajor Special Revenue Funds
\$93,946	\$12,125	\$793,120
0	91,366	197,314
0	5,137	16,637
<u>\$93,946</u>	<u>\$108,628</u>	<u>\$1,007,071</u>
\$67,664	\$0	\$206,871
0	19,792	38,920
0	18,189	62,876
0	2,771	12,054
0	96,503	156,616
<u>67,664</u>	<u>137,255</u>	<u>477,337</u>
3,580	12,116	138,712
<u>22,702</u>	<u>(40,743)</u>	<u>391,022</u>
<u>26,282</u>	<u>(28,627)</u>	<u>529,734</u>
<u>\$93,946</u>	<u>\$108,628</u>	<u>\$1,007,071</u>

**Berea 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*

	Title VI-B	Auxiliary Services	Title I
<b>Revenues</b>			
Intergovernmental	\$881,780	\$661,271	\$279,516
Interest	0	561	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>881,780</u>	<u>661,832</u>	<u>279,516</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	0	0	0
Special	79,585	0	292,132
Vocational	0	0	0
Support Services:			
Pupil	403,831	0	0
Instructional Staff	227,441	0	18,173
Administration	48,235	0	0
Pupil Transportation	3,800	0	0
Central	0	0	0
Operation of Non-Instructional Services	111,716	697,720	3,555
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>874,608</u>	<u>697,720</u>	<u>313,860</u>
<i>Net Change in Fund Balance</i>	7,172	(35,888)	(34,344)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>46,904</u>	<u>66,014</u>	<u>42,134</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$54,076</u></u>	<u><u>\$30,126</u></u>	<u><u>\$7,790</u></u>

District Managed Student Activities	Preschool At Risk	Public School Support	Local Grants
\$0	\$229,865	\$0	\$0
0	0	0	0
267,508	0	177,538	0
43,920	0	19,104	112,180
4,441	0	31,473	0
315,869	229,865	228,115	112,180
0	104,020	101,079	71,875
0	0	497	1,272
0	0	0	29,433
3,121	12,000	2,355	3,204
0	85,448	128,289	6,136
0	27,691	0	0
0	700	0	0
0	0	0	0
0	0	0	0
321,577	0	12,749	2,860
324,698	229,859	244,969	114,780
(8,829)	6	(16,854)	(2,600)
144,930	193	159,579	55,626
\$136,101	\$199	\$142,725	\$53,026

(continued)

**Berea 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*

	Preschool	Entry Year Teacher Grant	Teacher Development
<b>Revenues</b>			
Intergovernmental	\$35,575	\$2,000	\$0
Interest	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>35,575</u>	<u>2,000</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	0	0	0
Special	2,346	0	0
Vocational	0	0	0
Support Services:			
Pupil	18,391	0	0
Instructional Staff	4,641	0	0
Administration	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	9,895	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>35,273</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	302	2,000	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,186</u>	<u>0</u>	<u>2,084</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$2,488</u></u>	<u><u>\$2,000</u></u>	<u><u>\$2,084</u></u>

Title V	Drug Free Schools	Ohio Reads	EMIS
\$36,580	\$27,087	\$51,277	\$27,837
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
36,580	27,087	51,277	27,837
0	4,638	53,893	0
0	0	0	0
0	0	0	0
0	275	0	0
30,268	8,607	0	0
0	0	0	0
0	0	0	0
0	0	0	13,033
6,687	810	0	0
0	0	0	0
36,955	14,330	53,893	13,033
(375)	12,757	(2,616)	14,804
1,830	354	8,026	46,785
\$1,455	\$13,111	\$5,410	\$61,589

(continued)

**Berea 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*

	Teacher Training and Development	Education for Economic Security Act	School Professional Development
<b>Revenues</b>			
Intergovernmental	\$2,500	\$0	\$8,050
Interest	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>2,500</u>	<u>0</u>	<u>8,050</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	2,195	6,837	3,450
Administration	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	306	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>2,195</u>	<u>7,143</u>	<u>3,450</u>
<i>Net Change in Fund Balance</i>	305	(7,143)	4,600
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>7,143</u>	<u>303</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$305</u>	<u>\$0</u>	<u>\$4,903</u>

Technology IIE	Parent Mentor Grant	School Improvement Grant	Safe School Helpline
\$7,801	\$25,000	\$0	\$7,019
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
7,801	25,000	0	7,019
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
7,700	23,986	0	0
0	0	0	7,019
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
7,700	23,986	0	7,019
101	1,014	0	0
0	3,181	90	27
\$101	\$4,195	\$90	\$27

(continued)

**Berea 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*

	Assistive Technology Grant	Telecommunity Grant	Title VIR
<b>Revenues</b>			
Intergovernmental	\$67,949	\$126,962	\$2,202
Interest	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>\$67,949</u>	<u>\$126,962</u>	<u>2,202</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	0	0	220
Special	57,671	0	0
Vocational	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	100,680	840
Administration	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services:	0	0	0
Extracurricular Activities:	0	0	0
<i>Total Expenditures</i>	<u>57,671</u>	<u>100,680</u>	<u>1,060</u>
<i>Net Change in Fund Balance</i>	10,278	26,282	1,142
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>(1,142)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$10,278</u></u>	<u><u>\$26,282</u></u>	<u><u>\$0</u></u>



Title IIA	Total Nonmajor Special Revenue Funds
\$101,159	\$2,581,430
0	561
0	445,046
0	175,204
0	35,914
<u>101,159</u>	<u>3,238,155</u>
122,146	457,871
0	433,503
0	29,433
0	443,177
7,562	662,253
0	82,945
0	4,500
0	13,033
78	830,767
0	337,186
<u>129,786</u>	<u>3,294,668</u>
(28,627)	(56,513)
0	586,247
<u>(\$28,627)</u>	<u>\$529,734</u>

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2003*

	Building	School Net	Network Connectivity
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent:	\$4,101	\$15,175	\$16,062
<i>Total Assets</i>	<u>\$4,101</u>	<u>\$15,175</u>	<u>\$16,062</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$8,380	\$7,439
Accrued Wages	0	619	0
Intergovernmental Payable	0	87	0
<i>Total Liabilities</i>	<u>0</u>	<u>9,086</u>	<u>7,439</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	1,753	296	122
Unreserved, Undesignated	2,348	5,793	8,501
<i>Total Fund Balances</i>	<u>4,101</u>	<u>6,089</u>	<u>8,623</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,101</u>	<u>\$15,175</u>	<u>\$16,062</u>

Interactive Video Lab	Total Nonmajor Capital Projects Funds
\$2,400	\$37,738
\$2,400	\$37,738
\$0	\$15,819
0	619
0	87
0	16,525
2,400	4,571
0	16,642
2,400	21,213
\$2,400	\$37,738

**Berea 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*

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	Building	School Net
<b>Revenues</b>		
Intergovernmental	\$0	\$113,152
Interest	1,107	0
<i>Total Revenues</i>	1,107	113,152
<b>Expenditures</b>		
Capital Outlay	31,008	107,126
<i>Net Change in Fund Balances</i>	(29,901)	6,026
<i>Fund Balances Beginning of Year</i>	34,002	63
<i>Fund Balances End of Year</i>	\$4,101	\$6,089

Network Connectivity	Interactive Video Lab	Total Nonmajor Capital Projects Funds
\$45,500	\$0	\$158,652
0	0	1,107
45,500	0	159,759
45,376	15,752	199,262
124	(15,752)	(39,503)
8,499	18,152	60,716
\$8,623	\$2,400	\$21,213

**Berea City School District**  
*Combining Statement of Fund Net Assets*  
*Nonmajor Enterprise Funds*  
*June 30, 2003*

	Food Service	Uniform School Supplies	Adult and Community Education	Total
<b>Assets</b>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$391,104	\$26,512	\$245,583	\$663,199
Receivables:				
Accounts	0	0	736	736
Intergovernmental	55,417	0	6,043	61,460
Inventory Held for Resale	30,605	5,428	0	36,033
Materials and Supplies Inventory	37,380	0	0	37,380
<i>Total Current Assets</i>	514,506	31,940	252,362	798,808
Capital Assets, Net	305,211	0	6,290	311,501
<i>Total Assets</i>	819,717	31,940	258,652	1,110,309
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	13,581	1,115	7,654	22,350
Accrued Wages	4,148	0	50,207	54,355
Compensated Absences Payable	6,965	0	0	6,965
Intergovernmental Payable	61,846	0	35,293	97,139
<i>Total Current Liabilities</i>	86,540	1,115	93,154	180,809
Long-Term Liabilities:				
Compensated Absences Payable	88,298	0	79,497	167,795
<i>Total Liabilities</i>	174,838	1,115	172,651	348,604
<b>Net Assets</b>				
Invested in Capital Assets	305,211	0	6,290	311,501
Unrestricted	339,668	30,825	79,711	450,204
<i>Total Net Assets</i>	\$644,879	\$30,825	\$86,001	\$761,705

**Berea City School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2003*

	Food Service	Uniform School Supplies	Adult and Community Education	Total
<b>Operating Revenues</b>				
Tuition	\$0	\$0	\$1,052,129	\$1,052,129
Sales	1,474,696	40,958	0	1,515,654
<i>Total Operating Revenues</i>	<u>1,474,696</u>	<u>40,958</u>	<u>1,052,129</u>	<u>2,567,783</u>
<b>Operating Expenses</b>				
Salaries	777,251	0	675,612	1,452,863
Fringe Benefits	278,821	0	177,352	456,173
Purchased Services	122,670	0	109,653	232,323
Materials and Supplies	344,577	0	32,194	376,771
Cost of Sales	730,057	40,013	0	770,070
Depreciation	38,346	0	905	39,251
Other	0	0	7,691	7,691
<i>Total Operating Expenses</i>	<u>2,291,722</u>	<u>40,013</u>	<u>1,003,407</u>	<u>3,335,142</u>
<i>Operating Income (Loss)</i>	<u>(817,026)</u>	<u>945</u>	<u>48,722</u>	<u>(767,359)</u>
<b>Non-Operating Revenues</b>				
Donated Commodities	138,801	0	0	138,801
Interest	6,994	0	0	6,994
Operating Grants	402,592	0	0	402,592
<i>Total Non-Operating Revenues</i>	<u>548,387</u>	<u>0</u>	<u>0</u>	<u>548,387</u>
<i>Change in Net Assets</i>	<u>(268,639)</u>	<u>945</u>	<u>48,722</u>	<u>(218,972)</u>
<i>Net Assets Beginning of Year</i>	<u>913,518</u>	<u>29,880</u>	<u>37,279</u>	<u>980,677</u>
<i>Net Assets End of Year</i>	<u>\$644,879</u>	<u>\$30,825</u>	<u>\$86,001</u>	<u>\$761,705</u>

**Berea City School District**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Food Service	Uniform School Supplies
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$1,474,696	\$40,958
Cash Received from Other Funds	0	0
Cash Payments to Employees for Services	(777,521)	0
Cash Payments for Employee Benefits	(269,965)	0
Cash Payments for Goods and Services	(1,074,801)	(38,921)
Cash Payments for Claims	0	0
Other Cash Payments	0	0
<i>Net Cash Provided by (Used in) Operating Activities</i>	(647,591)	2,037
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating Grants Received	399,493	0
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payments for Capital Acquisitions	(26,504)	0
<b>Cash Flows from Investing Activities</b>		
Interest on Investments	6,994	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(267,608)	2,037
<i>Cash and Cash Equivalents Beginning of Year</i>	658,712	24,475
<i>Cash and Cash Equivalents End of Year</i>	\$391,104	\$26,512



Adult and Community Education	Total
\$1,045,350	\$2,561,004
0	0
(645,380)	(1,422,901)
(173,481)	(443,446)
(138,419)	(1,252,141)
0	0
<u>(7,691)</u>	<u>(7,691)</u>
80,379	(565,175)
0	399,493
0	(26,504)
<u>0</u>	<u>6,994</u>
80,379	(185,192)
<u>165,204</u>	<u>848,391</u>
<u>\$245,583</u>	<u>\$663,199</u>

(continued)

**Berea City School District**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Food Service</u>	<u>Uniform School Supplies</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
Operating Income (Loss)	(\$817,026)	\$945
Adjustments:		
Depreciation	38,346	0
Donated Commodities Received During Year	138,801	0
(Increase) Decrease in Assets:		
Accounts Receivable	0	0
Inventory Held for Resale	5,436	(23)
Materials and Supplies Inventory	1,727	0
Increase (Decrease) in Liabilities:		
Accounts Payable	(23,754)	1,115
Accrued Wages	120	0
Compensated Absences Payable	(390)	0
Intergovernmental Payable	9,149	0
Claims Payable	0	0
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u><u>(\$647,591)</u></u>	<u><u>\$2,037</u></u>

Non Cash Non Capital Financing Activities:  
 Federal Donated Commodities in the amount of \$138,801 were recorded as revenue when received in the food service fund.

See accompanying notes to the basic financial statements

Adult and Community Education	Total
\$48,722	(\$767,359)
905	39,251
0	138,801
(6,779)	(6,779)
0	5,413
0	1,727
2,901	(19,738)
16,244	16,364
13,988	13,598
4,398	13,547
0	0
<u>\$80,379</u>	<u>(\$565,175)</u>

**Berea City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Balance 6-30-02	Additions	Reductions	Balance 6-30-03
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$135,234	\$231,499	\$185,025	\$181,708
<i>Total Assets</i>	<u>\$135,234</u>	<u>\$231,499</u>	<u>\$185,025</u>	<u>\$181,708</u>
<b>Liabilities</b>				
Due to Students	\$135,234	\$231,499	\$185,025	\$181,708
<i>Total Liabilities</i>	<u>\$135,234</u>	<u>\$231,499</u>	<u>\$185,025</u>	<u>\$181,708</u>
<b><i>Employee Benefits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$9,758	\$67,927	\$69,137	\$8,548
<i>Total Assets</i>	<u>\$9,758</u>	<u>\$67,927</u>	<u>\$69,137</u>	<u>\$8,548</u>
<b>Liabilities</b>				
Undistributed Monies	\$9,758	\$67,927	\$69,137	\$8,548
<i>Total Liabilities</i>	<u>\$9,758</u>	<u>\$67,927</u>	<u>\$69,137</u>	<u>\$8,548</u>
<b><i>Staff Services</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$5,744	\$8,327	\$6,645	\$7,426
<i>Total Assets</i>	<u>\$5,744</u>	<u>\$8,327</u>	<u>\$6,645</u>	<u>\$7,426</u>
<b>Liabilities</b>				
Undistributed Monies	\$5,744	\$8,327	\$6,645	\$7,426
<i>Total Liabilities</i>	<u>\$5,744</u>	<u>\$8,327</u>	<u>\$6,645</u>	<u>\$7,426</u>

(continued)

**Berea City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds (continued)*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Balance</u> <u>6-30-02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6-30-03</u>
<b><i>All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$150,736</u>	<u>\$307,753</u>	<u>\$260,807</u>	<u>\$197,682</u>
<i>Total Assets</i>	<u><u>\$150,736</u></u>	<u><u>\$307,753</u></u>	<u><u>\$260,807</u></u>	<u><u>\$197,682</u></u>
<b>Liabilities</b>				
Undistributed Monies	\$15,502	\$76,254	\$75,782	\$15,974
Due to Students	<u>135,234</u>	<u>231,499</u>	<u>185,025</u>	<u>181,708</u>
<i>Total Liabilities</i>	<u><u>\$150,736</u></u>	<u><u>\$307,753</u></u>	<u><u>\$260,807</u></u>	<u><u>\$197,682</u></u>

**Berea City School District**

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

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General 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>	
<b>Revenues</b>				
Taxes	\$48,667,450	\$50,451,434	\$51,101,751	\$650,317
Intergovernmental	13,327,900	13,114,345	13,114,345	0
Interest	525,000	162,747	175,154	12,407
Tuition and Fees	1,235,605	1,019,196	1,041,461	22,265
Extracurricular Activities	320,000	20,040	25,034	4,994
Rentals	0	151,190	175,060	23,870
Charges for Services	529,545	24,674	24,674	0
Contributions and Donations	5,000	4,382	4,382	0
Miscellaneous	321,088	243,678	273,663	29,985
<i>Total Revenues</i>	<u>64,931,588</u>	<u>65,191,686</u>	<u>65,935,524</u>	<u>743,838</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	20,539,064	20,397,967	20,397,967	0
Fringe Benefits	8,084,764	8,620,389	8,620,389	0
Purchased Services	940,666	954,452	953,931	521
Materials and Supplies	374,698	307,053	303,293	3,760
Capital Outlay - New	16,055	20,073	19,642	431
Capital Outlay - Replacement	1,700	1,683	1,645	38
Other	0	53,937	53,937	0
Total Regular	<u>29,956,947</u>	<u>30,355,554</u>	<u>30,350,804</u>	<u>4,750</u>
Special:				
Salaries and Wages	3,916,883	4,202,997	4,202,997	0
Fringe Benefits	1,487,046	1,686,075	1,686,075	0
Purchased Services	94,817	117,515	116,656	859
Materials and Supplies	25,405	18,569	18,315	254
Capital Outlay - New	11,047	18,993	18,904	89
Capital Outlay - Replacement	1,000	0	0	0
Other	80	170	170	0
Total Special	<u>\$5,536,278</u>	<u>\$6,044,319</u>	<u>\$6,043,117</u>	<u>\$1,202</u>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) 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>	
Vocational:				
Salaries and Wages	\$430,331	\$482,822	\$482,822	\$0
Fringe Benefits	160,845	186,777	186,777	0
Materials and Supplies	1,200	1,448	820	628
Total Vocational	<u>592,376</u>	<u>671,047</u>	<u>670,419</u>	<u>628</u>
Total Instruction	<u>36,085,601</u>	<u>37,070,920</u>	<u>37,064,340</u>	<u>6,580</u>
Support Services:				
Pupil:				
Salaries and Wages	2,099,110	2,237,012	2,237,012	0
Fringe Benefits	790,210	889,948	889,948	0
Purchased Services	717,077	755,255	754,976	279
Materials and Supplies	45,395	31,933	31,037	896
Capital Outlay - New	500	2,676	2,676	0
Other	0	50	50	0
Total Pupil	<u>3,652,292</u>	<u>3,916,874</u>	<u>3,915,699</u>	<u>1,175</u>
Instructional Staff:				
Salaries and Wages	3,751,555	3,797,732	3,797,732	0
Fringe Benefits	1,355,848	1,317,647	1,317,647	0
Purchased Services	222,556	171,155	170,525	630
Materials and Supplies	109,351	62,756	61,000	1,756
Capital Outlay - New	24,916	16,736	16,646	90
Capital Outlay - Replacement	8,500	12,570	11,918	652
Other	4,150	4,872	4,847	25
Total Instructional Staff	<u>5,476,876</u>	<u>5,383,468</u>	<u>5,380,315</u>	<u>3,153</u>
Board of Education:				
Salaries and Wages	4,800	4,800	4,800	0
Fringe Benefits	672	672	630	42
Purchased Services	14,000	10,718	10,717	1
Materials and Supplies	300	300	167	133
Other	9,100	5,785	5,119	666
Total Board of Education	<u>\$28,872</u>	<u>\$22,275</u>	<u>\$21,433</u>	<u>\$842</u>

(continued)



**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) 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>	
<b>Administration:</b>				
Salaries and Wages	\$2,650,359	\$2,540,782	\$2,540,782	\$0
Fringe Benefits	956,760	1,001,337	1,001,337	0
Purchased Services	299,101	332,274	331,635	639
Materials and Supplies	20,868	15,815	15,488	327
Capital Outlay - New	935	8,123	8,123	0
Capital Outlay - Replacement	250	3,182	3,182	0
Other	4,550	12,871	12,014	857
<b>Total Administration</b>	<b>3,932,823</b>	<b>3,914,384</b>	<b>3,912,561</b>	<b>1,823</b>
<b>Fiscal:</b>				
Salaries and Wages	379,882	382,463	382,463	0
Fringe Benefits	151,850	185,225	185,224	1
Purchased Services	56,543	59,105	58,735	370
Materials and Supplies	9,100	10,901	10,899	2
Capital Outlay - Replacement	2,000	2,000	1,914	86
Other	833,200	810,637	810,619	18
<b>Total Fiscal</b>	<b>1,432,575</b>	<b>1,450,331</b>	<b>1,449,854</b>	<b>477</b>
<b>Business:</b>				
Salaries and Wages	189,516	193,401	193,401	0
Fringe Benefits	75,675	98,003	98,003	0
Purchased Services	525,678	493,049	490,321	2,728
Materials and Supplies	265,667	168,296	167,376	920
Capital Outlay - New	13,282	9,579	9,229	350
Capital Outlay - Replacement	9,971	3,253	3,252	1
Other	96,627	38,713	38,424	289
<b>Total Business</b>	<b>1,176,416</b>	<b>1,004,294</b>	<b>1,000,006</b>	<b>4,288</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	3,757,691	3,644,231	3,644,231	0
Fringe Benefits	1,286,860	1,437,904	1,437,904	0
Purchased Services	2,877,791	2,217,418	2,217,381	37
Materials and Supplies	314,819	343,534	343,533	1
Capital Outlay - New	16,360	7,706	7,498	208
Capital Outlay - Replacement	10,000	5,893	5,758	135
Other	20,000	15,000	14,819	181
<b>Total Operation and Maintenance of Plant</b>	<b>\$8,283,521</b>	<b>\$7,671,686</b>	<b>\$7,671,124</b>	<b>\$562</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) 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>	
Pupil Transportation:				
Salaries and Wages	\$1,839,973	\$2,128,622	\$2,128,622	\$0
Fringe Benefits	609,547	700,913	700,913	0
Purchased Services	350,004	183,013	182,148	865
Materials and Supplies	386,079	326,627	326,567	60
Capital Outlay - New	16,800	6,771	6,770	1
Capital Outlay - Replacement	5,600	13,446	13,445	1
Other	1,000	1,000	650	350
<b>Total Pupil Transportation</b>	<b>3,209,003</b>	<b>3,360,392</b>	<b>3,359,115</b>	<b>1,277</b>
Central:				
Salaries and Wages	761,884	802,673	802,672	1
Fringe Benefits	294,711	370,507	370,507	0
Purchased Services	670,172	682,327	681,944	383
Materials and Supplies	116,809	67,722	67,605	117
Capital Outlay - New	130,445	61,683	61,652	31
Capital Outlay - Replacement	17,000	16,282	16,281	1
Other	300	345	345	0
<b>Total Central</b>	<b>1,991,321</b>	<b>2,001,539</b>	<b>2,001,006</b>	<b>533</b>
<b>Total Support Services</b>	<b>29,183,699</b>	<b>28,725,243</b>	<b>28,711,113</b>	<b>14,130</b>
Operation of Non-Instructional Services:				
Community Services:				
Fringe Benefits	0	2,242	2,242	0
Other	6,000	4,120	4,120	0
<b>Total Operation of Non-Instructional Services</b>	<b>6,000</b>	<b>6,362</b>	<b>6,362</b>	<b>0</b>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	650,888	94,934	94,934	0
Fringe Benefits	255,107	44,154	44,154	0
Purchased Services	8,500	0	0	0
Materials and Supplies	2,000	0	0	0
<b>Total Academic and Subject Oriented Activities</b>	<b>\$916,495</b>	<b>\$139,088</b>	<b>\$139,088</b>	<b>\$0</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) 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	\$0	\$585,909	\$585,909	\$0
Fringe Benefits	0	241,831	241,831	0
Purchased Services	2,974	8,974	8,917	57
<b>Total Sports Oriented Activities</b>	<b>2,974</b>	<b>836,714</b>	<b>836,657</b>	<b>57</b>
School and Public Service Co-Curricular Activities:				
Salaries and Wages	0	38,918	38,918	0
Fringe Benefits	0	8,414	8,414	0
<b>Total School and Public Service Co-Curricular Activities</b>	<b>0</b>	<b>47,332</b>	<b>47,332</b>	<b>0</b>
<b>Total Extracurricular Activities</b>	<b>919,469</b>	<b>1,023,134</b>	<b>1,023,077</b>	<b>57</b>
<i>Total Expenditures</i>	<i>66,194,769</i>	<i>66,825,659</i>	<i>66,804,892</i>	<i>20,767</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(1,263,181)</i>	<i>(1,633,973)</i>	<i>(869,368)</i>	<i>764,605</i>
<b>Other Financing Sources (Uses)</b>				
Advances In	5,000	9,759	9,759	0
Advances Out	(5,000)	(46,239)	(46,239)	0
<i>Total Other Financing Sources (Uses)</i>	<i>0</i>	<i>(36,480)</i>	<i>(36,480)</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>(1,263,181)</i>	<i>(1,670,453)</i>	<i>(905,848)</i>	<i>764,605</i>
<i>Fund Balance Beginning of Year</i>	<i>1,532,071</i>	<i>1,532,071</i>	<i>1,532,071</i>	<i>0</i>
Prior Year Encumbrances Appropriated	513,195	513,195	513,195	0
<i>Fund Balance End of Year</i>	<i>\$782,085</i>	<i>\$374,813</i>	<i>\$1,139,418</i>	<i>\$764,605</i>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$1,124,868	\$1,158,214	\$1,167,442	\$9,228
Intergovernmental	128,500	132,333	132,333	0
Interest	0	26,658	26,658	0
<i>Total Revenues</i>	<u>1,253,368</u>	<u>1,317,205</u>	<u>1,326,433</u>	<u>9,228</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	450,000	450,000	450,000	0
Interest and Fiscal Charges	678,926	519,996	519,996	0
Bond Issuance Cost	131,233	131,233	131,233	0
<i>Total Expenditures</i>	<u>1,260,159</u>	<u>1,101,229</u>	<u>1,101,229</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,791)</u>	<u>215,976</u>	<u>225,204</u>	<u>9,228</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Bonds	0	0	9,205,000	9,205,000
Proceeds of Notes	157,500	0	0	0
Premium on Bonds	0	0	743,790	743,790
Payments to Refunded Bond Agent	(9,817,557)	(9,817,557)	(9,817,557)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(9,660,057)</u>	<u>(9,817,557)</u>	<u>131,233</u>	<u>9,948,790</u>
<i>Net Change in Fund Balance</i>	<u>(9,666,848)</u>	<u>(9,601,581)</u>	<u>356,437</u>	<u>9,958,018</u>
<i>Fund Balance Beginning of Year</i>	<u>894,731</u>	<u>894,731</u>	<u>894,731</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$8,772,117)</u></u>	<u><u>(\$8,706,850)</u></u>	<u><u>\$1,251,168</u></u>	<u><u>\$9,958,018</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Permanent Improvement 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>		
<b>Revenues</b>				
Taxes	\$1,625,726	\$1,594,968	\$1,613,424	\$18,456
Intergovernmental	181,300	172,019	172,019	0
<i>Total Revenues</i>	<u>1,807,026</u>	<u>1,766,987</u>	<u>1,785,443</u>	<u>18,456</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	0	30,000	28,221	1,779
Capital Outlay - New	0	13,842	13,842	0
Capital Outlay - Replacement	856,557	318,395	318,395	0
Total Instructional Staff	856,557	362,237	360,458	1,779
Central:				
Purchased Services	0	147,000	146,601	399
Total Support Services	856,557	509,237	507,059	2,178
Capital Outlay:				
Architecture and Engineering Services:				
Capital Outlay - New	134,217	178,508	178,508	0
Building Improvement Services:				
Capital Outlay - New	2,548,521	2,871,788	2,869,326	2,462
Capital Outlay - Replacement	15,000	0	0	0
Total Building Improvement Services	2,563,521	2,871,788	2,869,326	2,462
Total Capital Outlay	2,697,738	3,050,296	3,047,834	2,462
Debt Service:				
Principal Retirement	150,000	150,000	150,000	0
Interest and Fiscal Charges	7,500	7,000	7,000	0
<i>Total Expenditures</i>	<u>3,711,795</u>	<u>3,716,533</u>	<u>3,711,893</u>	<u>4,640</u>
<i>Net Change in Fund Balance</i>	(1,904,769)	(1,949,546)	(1,926,450)	23,096
<i>Fund Balance Beginning of Year</i>	1,192,327	1,192,327	1,192,327	0
Prior Year Encumbrances Appropriated	1,877,213	1,877,213	1,877,213	0
<i>Fund Balance End of Year</i>	<u>\$1,164,771</u>	<u>\$1,119,994</u>	<u>\$1,143,090</u>	<u>\$23,096</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$624,000	\$881,780	\$881,780	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	3,000	1,168	1,168	0
Materials and Supplies	29,185	56,499	56,365	134
Capital Outlay - New	30,000	38,746	38,745	1
Total Instruction	62,185	96,413	96,278	135
Support Services:				
Pupil:				
Salaries and Wages	79,941	104,926	96,661	8,265
Fringe Benefits	19,530	28,243	25,211	3,032
Purchased Services	328,341	278,483	278,482	1
Materials and Supplies	5,000	33,545	33,208	337
Capital Outlay - New	5,000	13,622	13,622	0
Total Pupil	437,812	458,819	447,184	11,635
Instructional Staff:				
Salaries and Wages	215,000	216,293	216,293	0
Purchased Services	5,000	11,299	11,299	0
Total Instructional Staff	220,000	227,592	227,592	0
Administration:				
Salaries and Wages	65,545	41,640	41,640	0
Fringe Benefits	10,176	11,016	7,165	3,851
Total Administration	75,721	52,656	48,805	3,851
Pupil Transportation:				
Purchased Services	5,000	4,068	4,068	0
Total Support Services	\$738,533	\$743,135	\$727,649	\$15,486

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Title VI-B Fund (continued)  
 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>		
Operation of Non-Instructional Services				
Community Services:				
Purchased Services	\$113,391	\$106,557	\$106,557	\$0
Materials and Supplies	0	449	449	0
Capital Outlay - New	0	6,385	6,385	0
Total Community Services	<u>113,391</u>	<u>113,391</u>	<u>113,391</u>	<u>0</u>
<i>Total Expenditures</i>	<u>914,109</u>	<u>952,939</u>	<u>937,318</u>	<u>15,621</u>
<i>Net Change in Fund Balance</i>	(290,109)	(71,159)	(55,538)	15,621
<i>Fund Balance Beginning of Year</i>	38,406	38,406	38,406	0
Prior Year Encumbrances Appropriated	<u>32,753</u>	<u>32,753</u>	<u>32,753</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$218,950)</u></u>	<u><u>\$0</u></u>	<u><u>\$15,621</u></u>	<u><u>\$15,621</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$563,000	\$661,271	\$661,271	\$0
Interest	2,000	561	561	0
<i>Total Revenues</i>	<u>565,000</u>	<u>661,832</u>	<u>661,832</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	39,000	43,767	43,476	291
Fringe Benefits	17,000	20,863	20,851	12
Purchased Services	327,843	310,836	303,804	7,032
Materials and Supplies	169,219	222,130	221,088	1,042
Capital Outlay - New	77,351	158,365	158,184	181
Capital Outlay - Replacement	0	2,341	2,341	0
<i>Total Expenditures</i>	<u>630,413</u>	<u>758,302</u>	<u>749,744</u>	<u>8,558</u>
<i>Net Change in Fund Balance</i>	(65,413)	(96,470)	(87,912)	8,558
<i>Fund Balance Beginning of Year</i>	34,755	34,755	34,755	0
Prior Year Encumbrances Appropriated	<u>61,715</u>	<u>61,715</u>	<u>61,715</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$31,057</u></u>	<u><u>\$0</u></u>	<u><u>\$8,558</u></u>	<u><u>\$8,558</u></u>



**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title I 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>	
<b>Revenues</b>				
Intergovernmental	<u>\$300,000</u>	<u>\$278,379</u>	<u>\$278,379</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	202,934	224,471	224,471	0
Fringe Benefits	50,334	56,263	56,263	0
Purchased Services	6,461	9,296	9,296	0
Materials and Supplies	7,075	2,987	2,987	0
Capital Outlay - New	<u>0</u>	<u>1,628</u>	<u>1,628</u>	<u>0</u>
Total Instruction	<u>266,804</u>	<u>294,645</u>	<u>294,645</u>	<u>0</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	12,818	14,353	14,353	0
Fringe Benefits	1,782	3,701	3,701	0
Materials and Supplies	<u>50</u>	<u>236</u>	<u>236</u>	<u>0</u>
Total Instructional Staff	14,650	18,290	18,290	0
Administration:				
Purchased Services	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>15,650</u>	<u>18,290</u>	<u>18,290</u>	<u>0</u>
Operation of Non-Instructional Services				
Community Services:				
Salaries and Wages	3,104	2,623	2,623	0
Fringe Benefits	<u>772</u>	<u>932</u>	<u>932</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>3,876</u>	<u>3,555</u>	<u>3,555</u>	<u>0</u>
<i>Total Expenditures</i>	<u>\$286,330</u>	<u>\$316,490</u>	<u>\$316,490</u>	<u>\$0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$13,670</u>	<u>(\$38,111)</u>	<u>(\$38,111)</u>	<u>\$0</u>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Title I 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>	
<b>Other Financing Sources</b>				
Advances In	\$0	\$23,977	\$23,977	\$0
<i>Net Change in Fund Balance</i>	13,670	(14,134)	(14,134)	0
<i>Fund Balance Beginning of Year</i>	12,698	12,698	12,698	0
Prior Year Encumbrances Appropriated	1,436	1,436	1,436	0
<i>Fund Balance End of Year</i>	<u>\$27,804</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*District Managed Student Activities 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>	
<b>Revenues</b>				
Extracurricular Activities	\$327,000	\$267,508	\$267,508	\$0
Contributions and Donations	55,000	43,920	43,920	0
Miscellaneous	3,000	4,441	4,441	0
<i>Total Revenues</i>	<u>385,000</u>	<u>315,869</u>	<u>315,869</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Materials and Supplies	3,500	3,121	3,121	0
Extracurricular Activities:				
Academic and Subject Oriented				
Activities:				
Salaries and Wages	0	500	500	0
Purchased Services	21,000	2,168	2,155	13
Materials and Supplies	118,150	69,594	69,408	186
Capital Outlay - New	13,765	8,330	8,328	2
Other	800	1,849	1,849	0
Total Academic and Subject Oriented Activities	<u>153,715</u>	<u>82,441</u>	<u>82,240</u>	<u>201</u>
Sports Oriented Activities:				
Salaries and Wages	12,000	7,624	7,624	0
Purchased Services	84,015	98,252	97,205	1,047
Materials and Supplies	151,171	143,407	142,452	955
Capital Outlay - New	4,000	4,731	4,731	0
Other	500	500	0	500
Total Sports Oriented Activities	<u>251,686</u>	<u>254,514</u>	<u>252,012</u>	<u>2,502</u>
Total Extracurricular Activities	<u>405,401</u>	<u>336,955</u>	<u>334,252</u>	<u>2,703</u>
<i>Total Expenditures</i>	<u>\$408,901</u>	<u>\$340,076</u>	<u>\$337,373</u>	<u>\$2,703</u> (continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 District Managed Student Activities Fund (continued)  
 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>		
<i>Net Change in Fund Balance</i>	(\$23,901)	(\$24,207)	(\$21,504)	\$2,703
<i>Fund Balance Beginning of Year</i>	132,938	132,938	132,938	0
Prior Year Encumbrances Appropriated	15,901	15,901	15,901	0
<i>Fund Balance End of Year</i>	<u>\$124,938</u>	<u>\$124,632</u>	<u>\$127,335</u>	<u>\$2,703</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool at Risk 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>		
<b>Revenues</b>				
Intergovernmental	\$220,000	\$229,865	\$229,865	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	82,521	73,746	73,746	0
Fringe Benefits	30,000	24,808	24,808	0
Materials and Supplies	2,000	5,878	5,878	0
Capital Outlay - New	794	707	707	0
Total Instruction	115,315	105,139	105,139	0
Support Services:				
Pupil:				
Purchased Services	11,000	12,000	12,000	0
Instructional Staff:				
Salaries and Wages	64,350	67,864	67,864	0
Fringe Benefits	16,800	17,584	17,584	0
Total Instructional Staff	81,150	85,448	85,448	0
Administration:				
Salaries and Wages	16,700	22,431	22,431	0
Fringe Benefits	4,400	4,956	4,956	0
Materials and Supplies	600	508	508	0
Total Administration	21,700	27,895	27,895	0
Pupil Transportation:				
Purchased Services	700	700	700	0
Total Support Services	114,550	126,043	126,043	0
<i>Total Expenditures</i>	229,865	231,182	231,182	0
<i>Net Change in Fund Balance</i>	(9,865)	(1,317)	(1,317)	0
<i>Fund Balance Beginning of Year</i>	1,469	1,469	1,469	0
<i>Fund Balance (Deficit) End of Year</i>	(\$8,396)	\$152	\$152	\$0

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$185,000	\$179,084	\$179,084	\$0
Contributions and Donations	20,000	19,104	19,104	0
Miscellaneous	5,000	31,473	31,473	0
<i>Total Revenues</i>	<u>210,000</u>	<u>229,661</u>	<u>229,661</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Fringe Benefits	0	1,726	1,370	356
Purchased Services	8,250	10,674	10,674	0
Materials and Supplies	65,218	70,744	69,145	1,599
Capital Outlay - New	1,500	3,620	3,421	199
Capital Outlay - Replacement	0	300	0	300
Other	3,013	26,297	26,218	79
Total Regular	<u>77,981</u>	<u>113,361</u>	<u>110,828</u>	<u>2,533</u>
Special:				
Materials and Supplies	0	2	0	2
Other	0	628	496	132
Total Special	<u>0</u>	<u>630</u>	<u>496</u>	<u>134</u>
Total Instruction	<u>77,981</u>	<u>113,991</u>	<u>111,324</u>	<u>2,667</u>
Support Services:				
Pupil:				
Materials and Supplies	171	2,519	2,485	34
Other	200	0	0	0
Total Pupil	<u>371</u>	<u>2,519</u>	<u>2,485</u>	<u>34</u>
Instructional Staff:				
Purchased Services	6,000	5,594	5,594	0
Materials and Supplies	116,624	121,410	120,690	720
Capital Outlay - New	2,500	1,802	1,801	1
Capital Outlay - Replacement	500	2,042	2,041	1
Other	4,000	3,540	3,443	97
Total Instructional Staff	<u>129,624</u>	<u>134,388</u>	<u>133,569</u>	<u>819</u>
Total Support Services	<u>\$129,995</u>	<u>\$136,907</u>	<u>\$136,054</u>	<u>\$853</u>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Public School Support Fund (continued)  
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>		
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	\$0	\$720	\$300	\$420
School and Public Service Co-Curricular Activities:				
Purchased Services	1,000	368	367	1
Materials and Supplies	8,050	12,321	12,208	113
Capital Outlay - New	500	0	0	0
Total School and Public Service Co-Curricular Activities	<u>9,550</u>	<u>12,689</u>	<u>12,575</u>	<u>114</u>
Total Extracurricular Activities	<u>9,550</u>	<u>13,409</u>	<u>12,875</u>	<u>534</u>
<i>Total Expenditures</i>	<u>217,526</u>	<u>264,307</u>	<u>260,253</u>	<u>4,054</u>
<i>Net Change in Fund Balance</i>	(7,526)	(34,646)	(30,592)	4,054
<i>Fund Balance Beginning of Year</i>	155,601	155,601	155,601	0
Prior Year Encumbrances Appropriated	<u>7,526</u>	<u>7,526</u>	<u>7,526</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$155,601</u>	<u>\$128,481</u>	<u>\$132,535</u>	<u>\$4,054</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Local Grants*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Contributions and Donations	\$142,310	\$112,843	\$112,843	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	42,000	42,324	42,324	0
Fringe Benefits	0	6,727	6,727	0
Purchased Services	2,787	3,916	2,690	1,226
Materials and Supplies	9,730	20,457	11,849	8,608
Capital Outlay - New	12,070	17,695	10,685	7,010
Other	0	500	500	0
Total Regular	<u>66,587</u>	<u>91,619</u>	<u>74,775</u>	<u>16,844</u>
Special:				
Purchased Services	0	100	100	0
Materials and Supplies	910	1,485	1,280	205
Total Special	<u>910</u>	<u>1,585</u>	<u>1,380</u>	<u>205</u>
Vocational:				
Salaries and Wages	1,204	1,125	121	1,004
Fringe Benefits	0	30	30	0
Purchased Services	4,343	3,743	2,597	1,146
Materials and Supplies	13,500	16,089	15,018	1,071
Capital Outlay - New	16,445	14,755	11,667	3,088
Total Vocational	<u>35,492</u>	<u>35,742</u>	<u>29,433</u>	<u>6,309</u>
Total Instruction	<u>\$102,989</u>	<u>\$128,946</u>	<u>\$105,588</u>	<u>\$23,358</u> (continued)



**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Local Grants (continued)*  
*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>		
Support Services:				
Pupil:				
Purchased Services	\$2,500	\$3,204	\$3,204	\$0
Materials and Supplies	0	14	0	14
Capital Outlay - New	28	28	0	28
Total Pupil	<u>2,528</u>	<u>3,246</u>	<u>3,204</u>	<u>42</u>
Instructional Staff:				
Salaries and Wages	288	1,614	0	1,614
Fringe Benefits	392	292	0	292
Purchased Services	4,960	11,502	6,189	5,313
Materials and Supplies	4,786	6,977	4,787	2,190
Other	575	925	379	546
Total Instructional Staff	<u>11,001</u>	<u>21,310</u>	<u>11,355</u>	<u>9,955</u>
Total Support Services	<u>13,529</u>	<u>24,556</u>	<u>14,559</u>	<u>9,997</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Materials and Supplies	<u>2,864</u>	<u>2,864</u>	<u>2,860</u>	<u>4</u>
<i>Total Expenditures</i>	<u>119,382</u>	<u>156,366</u>	<u>123,007</u>	<u>33,359</u>
<i>Net Change in Fund Balance</i>	22,928	(43,523)	(10,164)	33,359
<i>Fund Balance Beginning of Year</i>	52,216	52,216	52,216	0
Prior Year Encumbrances Appropriated	<u>13,272</u>	<u>13,272</u>	<u>13,272</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$88,416</u>	<u>\$21,965</u>	<u>\$55,324</u>	<u>\$33,359</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool 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>	
<b>Revenues</b>				
Intergovernmental	\$35,500	\$43,736	\$43,736	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	4,284	4,066	4,066	0
Support Services:				
Pupil:				
Salaries and Wages	17,758	17,322	17,322	0
Fringe Benefits	4,238	1,142	1,142	0
Total Pupil	21,996	18,464	18,464	0
Instructional Staff:				
Salaries and Wages	4,799	4,977	4,977	0
Fringe Benefits	533	67	67	0
Total Instructional Staff	5,332	5,044	5,044	0
Total Support Services	27,328	23,508	23,508	0
Operation of Non-Instructional Services				
Community Services:				
Purchased Services	9,951	8,292	8,292	0
Materials and Supplies	0	513	513	0
Capital Outlay - New	0	1,147	1,147	0
Total Operation of Non-Instructional Services	9,951	9,952	9,952	0
<i>Total Expenditures</i>	41,563	37,526	37,526	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,063)	6,210	6,210	0
<b>Other Financing Sources (Uses)</b>				
Advances In	0	342	342	0
Advances Out	0	(8,211)	(8,211)	0
<i>Total Other Financing Sources (Uses)</i>	0	(7,869)	(7,869)	0
<i>Net Change in Fund Balance</i>	(6,063)	(1,659)	(1,659)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	1,659	1,659	1,659	0
<i>Fund Balance (Deficit) End of Year</i>	(\$4,404)	\$0	\$0	\$0

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Entry Year Teacher Grant 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>		
<b>Revenues</b>				
Intergovernmental	\$2,000	\$2,000	\$2,000	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	2,000	2,000	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>\$2,000</u></u>	<u><u>\$2,000</u></u>	<u><u>\$0</u></u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	2,084	2,084	2,084	0
<i>Fund Balance End of Year</i>	<u>\$2,084</u>	<u>\$2,084</u>	<u>\$2,084</u>	<u>\$0</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title V 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>		
<b>Revenues</b>				
Intergovernmental	\$34,350	\$38,739	\$38,739	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	30,973	30,989	30,651	338
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	7,375	7,422	6,733	689
<i>Total Expenditures</i>	<u>38,348</u>	<u>38,411</u>	<u>37,384</u>	<u>1,027</u>
<i>Net Change in Fund Balance</i>	(3,998)	328	1,355	1,027
<i>Fund Balance Beginning of Year</i>	84	84	84	0
Prior Year Encumbrances Appropriated	<u>1,746</u>	<u>1,746</u>	<u>1,746</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$2,168)</u></u>	<u><u>\$2,158</u></u>	<u><u>\$3,185</u></u>	<u><u>\$1,027</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Drug Free Schools 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>		
<b>Revenues</b>				
Intergovernmental	\$36,500	\$17,699	\$17,699	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,209	4,375	4,375	0
Fringe Benefits	2,000	263	263	0
Materials and Supplies	2,000	0	0	0
Total Instruction	11,209	4,638	4,638	0
Support Services:				
Pupil:				
Materials and Supplies	300	575	575	0
Instructional Staff:				
Purchased Services	4,000	11,267	11,267	0
Materials and Supplies	0	1,440	1,440	0
Capital Outlay - New	0	7,454	7,454	0
Total Instructional Staff	4,000	20,161	20,161	0
Total Support Services	4,300	20,736	20,736	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	327	810	810	0
<i>Total Expenditures</i>	15,836	26,184	26,184	0
<i>Excess of Revenues Over (Under) Expenditures</i>	20,664	(8,485)	(8,485)	0
<b>Other Financing Sources</b>				
Advances In	0	3,731	3,731	0
<i>Net Change in Fund Balance</i>	20,664	(4,754)	(4,754)	0
<i>Fund Balance Beginning of Year</i>	4,454	4,454	4,454	0
Prior Year Encumbrances Appropriated	300	300	300	0
<i>Fund Balance End of Year</i>	<u>\$25,418</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Ohio Reads 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>		
<b>Revenues</b>				
Intergovernmental	\$50,000	\$51,277	\$51,277	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,130	20,831	20,482	349
Fringe Benefits	2,025	1,317	1,290	27
Purchased Services	12,714	10,172	9,987	185
Materials and Supplies	16,208	21,853	21,584	269
Other	2,208	3,207	3,026	181
<i>Total Expenditures</i>	<u>40,285</u>	<u>57,380</u>	<u>56,369</u>	<u>1,011</u>
<i>Net Change in Fund Balance</i>	9,715	(6,103)	(5,092)	1,011
<i>Fund Balance Beginning of Year</i>	6,756	6,756	6,756	0
Prior Year Encumbrances Appropriated	<u>2,785</u>	<u>2,785</u>	<u>2,785</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$19,256</u></u>	<u><u>\$3,438</u></u>	<u><u>\$4,449</u></u>	<u><u>\$1,011</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) 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>		
<b>Revenues</b>				
Intergovernmental	\$25,000	\$27,837	\$27,837	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	6,000	27,070	9,810	17,260
Materials and Supplies	24,000	42,804	19,569	23,235
Capital Outlay - New	3,500	10,000	0	10,000
<i>Total Expenditures</i>	<u>33,500</u>	<u>79,874</u>	<u>29,379</u>	<u>50,495</u>
<i>Net Change in Fund Balance</i>	(8,500)	(52,037)	(1,542)	50,495
<i>Fund Balance Beginning of Year</i>	<u>52,037</u>	<u>52,037</u>	<u>52,037</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$43,537</u></u>	<u><u>\$0</u></u>	<u><u>\$50,495</u></u>	<u><u>\$50,495</u></u>



**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Teacher Training and Development 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>		
<b>Revenues</b>				
Intergovernmental	\$2,500	\$2,500	\$2,500	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	900	900	595	305
Materials and Supplies	1,600	1,600	1,600	0
<i>Total Expenditures</i>	<u>2,500</u>	<u>2,500</u>	<u>2,195</u>	<u>305</u>
<i>Net Change in Fund Balance</i>	0	0	305	305
<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>\$305</u></u>	<u><u>\$305</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Education for Economic Security Act Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$27,952	\$8,349	\$8,349	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	4,411	315	315	0
Fringe Benefits	1,527	0	0	0
Purchased Services	11,442	693	693	0
Materials and Supplies	2,654	6,880	6,880	0
Total Support Services	20,034	7,888	7,888	0
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	989	306	306	0
<i>Total Expenditures</i>	21,023	8,194	8,194	0
<i>Excess of Revenues Over Expenditures</i>	6,929	155	155	0
<b>Other Financing Uses</b>				
Advances Out	0	(1,548)	(1,548)	0
<i>Net Change in Fund Balance</i>	6,929	(1,393)	(1,393)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	1,393	1,393	1,393	0
<i>Fund Balance End of Year</i>	\$8,322	\$0	\$0	\$0

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 School Professional Development 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>		
<b>Revenues</b>				
Intergovernmental	\$0	\$8,050	\$8,050	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	487	140	140	0
Fringe Benefits	113	0	0	0
Purchased Services	2,850	7,910	3,310	4,600
<i>Total Expenditures</i>	<u>3,450</u>	<u>8,050</u>	<u>3,450</u>	<u>4,600</u>
<i>Net Change in Fund Balance</i>	(3,450)	0	4,600	4,600
<i>Fund Balance Beginning of Year</i>	<u>303</u>	<u>303</u>	<u>303</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$3,147)</u></u>	<u><u>\$303</u></u>	<u><u>\$4,903</u></u>	<u><u>\$4,600</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Technology IID 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>		
<b>Revenues</b>				
Intergovernmental	\$7,801	\$7,801	\$7,801	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	<u>7,701</u>	<u>7,701</u>	<u>7,700</u>	<u>1</u>
Total Support Services	7,701	7,701	7,700	1
Operation of Non-Instructional Services				
Community Services:				
Purchased Services	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
<i>Total Expenditures</i>	<u>7,801</u>	<u>7,801</u>	<u>7,700</u>	<u>101</u>
<i>Net Change in Fund Balance</i>	0	0	101	101
<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>\$101</u></u>	<u><u>\$101</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Parent Mentor Grant 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>		
<b>Revenues</b>				
Intergovernmental	\$25,000	\$25,000	\$25,000	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Support Services:				
Instructional Staff:				
Salaries and Wages	18,137	18,144	17,359	785
Fringe Benefits	2,696	2,696	2,586	110
Purchased Services	3,961	3,447	1,887	1,560
Materials and Supplies	1,945	2,452	1,780	672
Capital Outlay - New	1,862	1,862	1,862	0
<i>Total Expenditures</i>	<u>28,601</u>	<u>28,601</u>	<u>25,474</u>	<u>3,127</u>
<i>Net Change in Fund Balance</i>	(3,601)	(3,601)	(474)	3,127
<i>Fund Balance Beginning of Year</i>	159	159	159	0
Prior Year Encumbrances Appropriated	<u>3,601</u>	<u>3,601</u>	<u>3,601</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$159</u></u>	<u><u>\$159</u></u>	<u><u>\$3,286</u></u>	<u><u>\$3,127</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 School Improvement Grant 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>		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	<u>90</u>	<u>90</u>	<u>0</u>	<u>90</u>
<i>Total Expenditures</i>	<u>90</u>	<u>90</u>	<u>0</u>	<u>90</u>
<i>Net Change in Fund Balance</i>	(90)	(90)	0	90
<i>Fund Balance Beginning of Year</i>	<u>90</u>	<u>90</u>	<u>90</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$90</u></u>	<u><u>\$90</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Safe School Helpline 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>		
<b>Revenues</b>				
Intergovernmental	\$8,000	\$7,019	\$7,019	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Purchased Services	<u>7,019</u>	<u>7,019</u>	<u>7,019</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	981	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>27</u>	<u>27</u>	<u>27</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,008</u></u>	<u><u>\$27</u></u>	<u><u>\$27</u></u>	<u><u>\$0</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Assistive Technology Grant 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>		
<b>Revenues</b>				
Intergovernmental	\$68,167	\$67,949	\$67,949	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	18,314	18,314	17,865	449
Capital Outlay - New	39,641	42,052	39,883	2,169
<i>Total Expenditures</i>	<u>57,955</u>	<u>60,366</u>	<u>57,748</u>	<u>2,618</u>
<i>Net Change in Fund Balance</i>	10,212	7,583	10,201	2,618
<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>\$10,212</u></u>	<u><u>\$7,583</u></u>	<u><u>\$10,201</u></u>	<u><u>\$2,618</u></u>



**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Telecommunity Grant 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>		
<b>Revenues</b>				
Intergovernmental	\$72,963	\$126,962	\$126,962	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	8,880	8,880	3,861	5,019
Fringe Benefits	2,220	2,220	1,300	920
Purchased Services	39,466	21,715	12,984	8,731
Capital Outlay - New	76,396	94,147	86,115	8,032
<i>Total Expenditures</i>	<u>126,962</u>	<u>126,962</u>	<u>104,260</u>	<u>22,702</u>
<i>Net Change in Fund Balance</i>	(53,999)	0	22,702	22,702
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$53,999)</u></u>	<u><u>\$0</u></u>	<u><u>\$22,702</u></u>	<u><u>\$22,702</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VIR 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>		
<b>Revenues</b>				
Intergovernmental	\$20,000	\$2,202	\$2,202	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	6,339	6,339	0
Support Services:				
Instructional Staff:				
Purchased Services	24,357	840	840	0
<i>Total Expenditures</i>	<u>24,357</u>	<u>7,179</u>	<u>7,179</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(4,357)	(4,977)	(4,977)	0
<i>Fund Balance Beginning of Year</i>	3,297	3,297	3,297	0
Prior Year Encumbrances Appropriated	1,680	1,680	1,680	0
<i>Fund Balance End of Year</i>	<u>\$620</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title IIA Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$85,000	\$101,159	\$101,159	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	126,525	79,921	79,921	0
Fringe Benefits	31,114	19,662	19,662	0
Total Instruction	157,639	99,583	99,583	0
Support Services:				
Instructional Staff:				
Purchased Services	14,473	12,840	12,840	0
Materials and Supplies	0	6,838	6,838	0
Total Support Services	14,473	19,678	19,678	0
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	587	78	78	0
<i>Total Expenditures</i>	172,699	119,339	119,339	0
<i>Excess of Revenues Under Expenditures</i>	(87,699)	(18,180)	(18,180)	0
<b>Other Financing Sources</b>				
Advances In	0	18,189	18,189	0
<i>Net Change in Fund Balance</i>	(87,699)	9	9	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$87,699)	\$9	\$9	\$0

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Building 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>		
<b>Revenues</b>				
Interest	<u>\$1,035</u>	<u>\$1,035</u>	<u>\$1,107</u>	<u>\$72</u>
<b>Expenditures</b>				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	74,442	74,442	74,442	0
Building Improvement Services:				
Capital Outlay - New	<u>669</u>	<u>669</u>	<u>669</u>	<u>0</u>
<i>Total Expenditures</i>	<u>75,111</u>	<u>75,111</u>	<u>75,111</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(74,076)	(74,076)	(74,004)	72
<i>Fund Balance Beginning of Year</i>	1,241	1,241	1,241	0
Prior Year Encumbrances Appropriated	<u>75,111</u>	<u>75,111</u>	<u>75,111</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,276</u></u>	<u><u>\$2,276</u></u>	<u><u>\$2,348</u></u>	<u><u>\$72</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*School Net 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>		
<b>Revenues</b>				
Intergovernmental	\$80,000	\$113,152	\$113,152	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	4,800	2,745	0	2,745
Fringe Benefits	1,428	1,178	0	1,178
Purchased Services	1,500	3,805	3,352	453
Materials and Supplies	20,000	9,000	8,449	551
Capital Outlay - New	85,000	96,424	94,915	1,509
<i>Total Expenditures</i>	<u>112,728</u>	<u>113,152</u>	<u>106,716</u>	<u>6,436</u>
<i>Net Change in Fund Balance</i>	(32,728)	0	6,436	6,436
<i>Fund Balance Beginning of Year</i>	<u>63</u>	<u>63</u>	<u>63</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$32,665)</u></u>	<u><u>\$63</u></u>	<u><u>\$6,499</u></u>	<u><u>\$6,436</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Network Connectivity 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>		
<b>Revenues</b>				
Intergovernmental	\$45,500	\$45,500	\$45,500	\$0
<b>Expenditures</b>				
Current:				
Operation and Maintenance of Plant:				
Purchased Services	29,877	29,877	29,877	0
Capital Outlay - Replacement	15,623	15,623	15,621	2
<i>Total Expenditures</i>	<u>45,500</u>	<u>45,500</u>	<u>45,498</u>	<u>2</u>
<i>Net Change in Fund Balance</i>	0	0	2	2
<i>Fund Balance Beginning of Year</i>	<u>8,499</u>	<u>8,499</u>	<u>8,499</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,499</u></u>	<u><u>\$8,499</u></u>	<u><u>\$8,501</u></u>	<u><u>\$2</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Interactive Video Lab Fund  
 For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	420	420	0
Purchased Services	2,400	3,848	3,848	0
Capital Outlay - New	6,512	13,884	13,884	0
<i>Total Expenditures</i>	8,912	18,152	18,152	0
<i>Net Change in Fund Balance</i>	(8,912)	(18,152)	(18,152)	0
<i>Fund Balance Beginning of Year</i>	18,152	18,152	18,152	0
<i>Fund Balance End of Year</i>	<u>\$9,240</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Sales	\$1,616,100	\$1,465,971	\$1,474,696	\$8,725
Interest	13,400	6,703	6,994	291
Operating Grants	320,500	399,493	399,493	0
<i>Total Revenues</i>	<u>1,950,000</u>	<u>1,872,167</u>	<u>1,881,183</u>	<u>9,016</u>
<b>Expenses</b>				
Salaries:				
Food Service Operations	763,522	777,522	777,521	1
Fringe Benefits:				
Food Service Operations	222,428	269,965	269,965	0
Purchased Services:				
Food Service Operations	67,477	135,190	135,188	2
Materials and Supplies:				
Food Service Operations	1,078,483	1,010,201	1,007,749	2,452
Capital Outlay:				
Capital Outlay - New:				
Food Service Operations	26,504	26,504	26,504	0
<i>Total Expenses</i>	<u>2,158,414</u>	<u>2,219,382</u>	<u>2,216,927</u>	<u>2,455</u>
<i>Net Change in Fund Equity</i>	(208,414)	(347,215)	(335,744)	11,471
<i>Fund Equity Beginning of Year</i>	459,781	459,781	459,781	0
Prior Year Encumbrances Appropriated	198,931	198,931	198,931	0
<i>Fund Equity End of Year</i>	<u>\$450,298</u>	<u>\$311,497</u>	<u>\$322,968</u>	<u>\$11,471</u>



**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Uniform School Supplies*  
*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>		
<b>Revenues</b>				
Sales	\$70,000	\$40,941	\$40,958	\$17
<b>Expenses:</b>				
Materials and Supplies:				
Regular Instruction	<u>70,579</u>	<u>41,132</u>	<u>39,345</u>	<u>1,787</u>
<i>Net Change in Fund Equity</i>	(579)	(191)	1,613	1,804
<i>Fund Equity Beginning of Year</i>	23,896	23,896	23,896	0
Prior Year Encumbrances Appropriated	<u>579</u>	<u>579</u>	<u>579</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$23,896</u></u>	<u><u>\$24,284</u></u>	<u><u>\$26,088</u></u>	<u><u>\$1,804</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Adult and Community Education Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tuition	\$932,500	\$1,005,315	\$1,045,350	\$40,035
<b>Expenses</b>				
Salaries:				
Adult/Continuing Instruction	16,270	53,000	53,000	0
Community Services	598,200	594,225	593,155	1,070
Total Salaries	614,470	647,225	646,155	1,070
Fringe Benefits:				
Adult/Continuing Instruction	2,970	10,936	10,936	0
Community Services	158,130	162,545	162,545	0
Total Fringe Benefits	161,100	173,481	173,481	0
Purchased Services:				
Adult/Continuing Instruction	103,661	95,147	93,185	1,962
Community Services	20,604	28,419	22,434	5,985
Total Purchased Services	124,265	123,566	115,619	7,947
Materials and Supplies:				
Adult/Continuing Instruction	3,705	3,305	1,432	1,873
Community Services	48,000	33,273	32,087	1,186
Total Materials and Supplies	51,705	36,578	33,519	3,059
Other:				
Adult/Continuing Instruction	0	1,880	1,775	105
Community Services	4,000	5,919	5,916	3
Total Other	4,000	7,799	7,691	108
<i>Total Expenses</i>	955,540	988,649	976,465	12,184
<i>Net Change in Fund Equity</i>	(23,040)	16,666	68,885	52,219
<i>Fund Equity Beginning of Year</i>	159,634	159,634	159,634	0
Prior Year Encumbrances Appropriated	5,570	5,570	5,570	0
<i>Fund Equity End of Year</i>	\$142,164	\$181,870	\$234,089	\$52,219

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*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>		
<b>Revenues</b>				
Charges for Services	\$6,380,500	\$6,903,740	\$6,903,740	\$0
Interest	11,500	476	476	0
<i>Total Revenues</i>	<u>6,392,000</u>	<u>6,904,216</u>	<u>6,904,216</u>	<u>0</u>
<b>Expenses</b>				
Fringe Benefits:				
Central Support Services	6,498,080	6,558,922	6,558,922	0
Purchased Services:				
Central Support Services	<u>0</u>	<u>760,762</u>	<u>760,762</u>	<u>0</u>
Total Expenses	<u>6,498,080</u>	<u>7,319,684</u>	<u>7,319,684</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(106,080)	(415,468)	(415,468)	0
<i>Fund Equity Beginning of Year</i>	<u>487,095</u>	<u>487,095</u>	<u>487,095</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$381,015</u></u>	<u><u>\$71,627</u></u>	<u><u>\$71,627</u></u>	<u><u>\$0</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Scholarship Trust 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>	
<b>Revenues</b>				
Interest	\$675	\$190	\$189	(\$1)
<b>Expenses:</b>				
Other:				
Regular Instruction	0	210	210	0
Instructional Staff Support Services	675	0	0	0
<i>Total Expenses</i>	675	210	210	0
<i>Net Change In Fund Balance</i>	0	(20)	(21)	(1)
<i>Fund Balance Beginning of Year</i>	13,015	13,015	13,015	0
<i>Fund Balance End of Year</i>	<u>\$13,015</u>	<u>\$12,995</u>	<u>\$12,994</u>	<u>(\$1)</u>

# **Berea City School District**

## **Statistical Section**

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

**Berea City School District**  
*General Governmental*  
*Revenues by Source and Expenses/Expenditures by Function(1)*  
*Last Ten Fiscal Years*

	2003		2002		2001	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
<b>Program Revenues</b>						
Charges for Services	\$1,595,738	N/A	\$2,184,484	N/A	\$1,783,264	N/A
Operating Grants and Contributions	3,212,908	N/A	2,528,921	N/A	2,526,655	N/A
Capital Grants and Contributions	158,652	N/A	81,746	N/A	348,293	N/A
<b>General Revenues</b>						
Taxes	50,507,456	51,135,837	58,104,473	\$56,767,993	53,626,281	\$52,182,145
Intergovernmental	13,068,487	16,158,779	13,662,871	16,004,756	12,552,799	15,234,294
Interest	188,228	187,752	457,261	451,323	1,009,744	1,005,985
Tuition and Fees	0	1,035,963	0	1,314,863	0	911,045
Extracurricular Activities	0	470,080	0	603,557	0	529,225
Payment in Lieu of Taxes	0	0	0	0	161,837	161,837
Rentals	0	161,992	0	227,333	0	213,429
Charges for Services	0	24,674	0	15,381	0	22,779
Contributions and Donations	0	179,586	0	205,925	0	207,470
Miscellaneous	316,684	316,684	255,874	264,747	93,712	69,306
<b>Special Item</b>						
Gain on Sale of Capital Assets	0	0	468,107	547,911	20,000	150,000
<i>Total</i>	<u>\$69,048,153</u>	<u>\$69,671,347</u>	<u>\$77,743,737</u>	<u>\$76,403,789</u>	<u>\$72,122,585</u>	<u>\$70,687,515</u>
<b>Expenses/Expenditures</b>						
Current:						
Instruction:						
Regular	\$33,232,246	\$29,983,295	\$33,845,941	\$31,546,251	\$31,111,178	\$30,882,163
Special	6,578,655	6,439,751	6,229,099	6,101,717	5,517,738	5,422,151
Vocational	716,389	698,442	610,196	585,729	512,130	546,342
Adult/Continuing	0	0	1,494	1,494	56,377	56,377
Support Services:						
Pupil	4,476,444	4,263,285	4,159,680	4,073,761	3,719,957	3,750,735
Instructional Staff	6,171,146	5,987,446	6,646,034	6,681,798	6,649,772	6,585,078
Board of Education	16,083	16,083	25,310	25,310	41,286	41,286
Administration	3,903,379	3,823,108	4,145,642	4,032,208	3,887,006	3,743,582
Fiscal	1,414,721	1,430,294	1,473,408	1,457,947	1,333,261	1,307,890
Business	932,494	906,249	846,750	820,447	1,094,132	1,082,213
Operation and Maintenance						
of Plant	7,654,007	7,528,099	8,040,642	7,854,732	8,533,754	8,413,199
Pupil Transportation	3,589,025	3,291,006	3,428,270	3,362,769	3,085,916	3,199,530
Central	1,670,260	1,619,416	1,479,283	1,764,230	2,602,684	1,353,380
Operation of Non-Instructional						
Services	826,940	837,129	622,093	708,704	744,017	781,129
Extracurricular Activities	1,325,683	1,350,789	1,572,674	1,562,329	1,523,604	1,544,442
Capital Outlay	0	2,483,027	0	2,446,216	0	1,251,527
Intergovernmental	0	0	0	0	262	262
Debt Service	1,559,768	1,109,776	709,324	1,140,516	755,802	1,166,940
<i>Total</i>	<u>\$74,067,240</u>	<u>\$71,767,195</u>	<u>\$73,835,840</u>	<u>\$74,166,158</u>	<u>\$71,168,876</u>	<u>\$71,128,226</u>

Source: School District Financial Records

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds for modified accrual and all governmental activities for full accrual

2000		1999						
Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	1998	1997	1996	1995	1994
\$2,184,997	N/A	\$1,727,320	N/A	N/A	N/A	N/A	N/A	N/A
2,516,392	N/A	2,102,624	N/A	N/A	N/A	N/A	N/A	N/A
158,345	N/A	775,059	N/A	N/A	N/A	N/A	N/A	N/A
45,832,741	\$45,832,741	47,740,108	\$47,740,108	\$45,255,176	\$46,701,920	\$44,655,490	\$42,824,939	\$36,629,543
11,118,645	13,656,012	11,234,905	14,018,580	13,116,068	12,211,533	12,621,253	12,195,025	10,716,999
742,868	723,544	752,749	729,351	1,102,064	1,138,272	819,157	898,046	712,288
0	943,578	0	1,011,588	1,146,034	1,107,645	1,127,012	649,828	617,460
0	535,323	0	484,221	420,141	609,686	537,894	542,797	411,976
98,389	98,389	70,641	70,641	N/A	N/A	N/A	N/A	N/A
0	188,421	0	223,143	166,313	159,545	126,829	155,477	196,568
0	14,440	0	78,030	10,310	3,133	40,928	84,134	165,237
0	130,475	7,351	89,585	154,527	87,481	96,189	124,579	165,037
189,014	162,215	43,454	43,454	386,654	105,098	76,044	41,217	33,939
0	0	0	0	0	0	0	0	0
<u>\$62,841,391</u>	<u>\$62,285,138</u>	<u>\$64,454,211</u>	<u>\$64,488,701</u>	<u>\$61,757,287</u>	<u>\$62,124,313</u>	<u>\$60,100,796</u>	<u>\$57,516,042</u>	<u>\$49,649,047</u>
28,341,349	\$27,435,354	\$29,246,237	\$29,356,082	\$28,943,088	\$26,100,943	\$25,104,953	\$23,462,734	\$21,803,898
5,598,623	5,386,485	4,533,049	4,391,462	3,400,272	4,065,687	3,885,824	3,400,093	3,089,146
426,912	424,944	494,566	543,317	438,641	498,285	134,967	268,976	384,092
12,920	12,920	76,955	75,938	64,741	73,121	28,479	26,720	27,686
3,313,030	3,253,850	3,412,303	3,472,733	3,214,074	2,829,738	2,573,600	2,355,963	2,259,743
5,990,417	5,816,575	5,623,076	5,508,931	5,237,374	4,823,192	4,040,371	3,537,511	3,007,965
39,552	39,552	27,540	27,540	27,041	36,483	42,135	40,287	33,270
3,470,903	3,538,361	3,445,483	3,471,943	3,411,741	3,265,813	2,902,489	2,694,072	2,707,058
1,334,947	1,342,309	1,380,235	1,356,311	1,171,319	1,186,141	1,179,912	987,126	899,060
864,912	824,504	935,820	924,106	872,065	860,090	957,623	767,583	580,337
8,531,623	8,395,640	7,497,937	7,277,633	7,108,016	6,876,512	6,411,999	5,854,590	5,424,449
3,069,335	2,963,758	2,565,486	2,606,465	2,999,688	2,710,642	2,536,613	2,540,958	2,028,859
1,108,849	1,126,049	979,137	953,300	911,451	971,485	725,367	1,299,464	664,470
608,592	624,239	573,336	597,269	449,712	487,342	341,709	400,246	6,313
1,404,059	1,404,696	1,333,741	1,329,481	1,264,580	1,248,584	1,080,584	953,980	826,455
0	1,434,938	0	1,686,387	3,872,203	1,609,684	689,919	9,083,819	6,630,305
8,704	8,704	7,514	7,514	2,998	178	32,346	132,303	24,678
825,457	1,222,081	843,331	1,194,279	1,435,207	2,885,574	1,090,954	4,811,795	2,568,590
<u>\$64,950,184</u>	<u>\$65,254,959</u>	<u>\$62,975,746</u>	<u>\$64,780,691</u>	<u>\$64,824,211</u>	<u>\$60,529,494</u>	<u>\$53,759,844</u>	<u>\$62,618,220</u>	<u>\$52,966,374</u>

**Berea City School District**  
*Property Tax Levies and Collections*  
*Real and Tangible Personal Property (1)*  
*Last Ten Calendar Years*

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected
2002	\$54,964,669	\$4,260,111	\$59,224,780	\$53,379,661	97.1%
2001	56,241,838	4,442,064	60,683,902	55,145,121	98.1
2000	56,319,028	2,062,168	58,381,196	54,967,090	97.6
1999	55,468,842	2,548,942	58,017,784	50,407,727	90.9
1998	48,638,195	3,650,397	52,288,592	47,163,054	97.0
1997	48,689,899	2,080,057	50,769,956	47,755,145	98.1
1996	48,350,805	2,548,410	50,899,215	47,694,375	98.6
1995	47,233,210	3,619,059	50,852,269	46,299,343	98.0
1994	45,736,108	2,952,483	48,688,591	44,420,281	97.1
1993	37,857,458	2,293,102	40,150,560	36,786,097	97.2

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State are reported as Intergovernmental Revenue.
- (2) Represents collection year. 2003 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.



Delinquent Collection	Total Collection	Total Collector As a Percent of Current Levy
\$2,691,726	\$56,071,387	102.0%
2,793,094	57,938,215	103.0
1,193,856	56,160,946	99.7
1,976,163	52,383,890	94.4
1,899,015	49,062,069	100.9
1,211,905	48,967,050	100.6
1,492,700	49,187,075	101.7
1,966,080	48,265,423	102.2
650,861	45,071,142	98.5
676,429	37,462,526	99.0

**Berea City School District**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Calendar Years*

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	\$1,224,546,650	\$3,498,704,714	\$38,752,080	\$44,036,455
2002	1,216,757,830	3,476,450,943	46,168,740	52,464,477
2001	1,197,553,870	3,421,582,486	49,875,840	56,677,091
2000	1,027,815,310	2,936,615,171	55,967,350	63,599,261
1999	1,005,040,090	2,871,543,114	56,737,020	64,473,886
1998	1,003,703,030	2,867,722,943	56,081,630	63,729,125
1997	925,444,240	2,644,126,400	57,359,690	65,181,466
1996	916,893,060	2,619,694,457	57,581,770	65,433,830
1995	914,320,920	2,612,345,486	61,155,940	69,495,386
1994	808,445,250	2,309,843,571	60,329,740	68,556,523

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

(1) This amount is calculated based on the following percentages:  
 35% for real property, 35% for public utility real, 88% for public utility  
 tangible, 25% for capital assets and 24% for inventory for tangible personal

Tangible Personal Property		Total		Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value (1)	
\$199,438,922	\$797,755,688	\$1,462,737,652	\$4,340,496,857	34%
211,623,911	846,495,664	1,474,550,481	4,375,411,084	34
235,165,084	940,660,336	1,482,594,794	4,418,919,913	34
244,299,461	977,197,844	1,328,082,121	3,977,412,276	33
247,826,803	991,307,212	1,309,603,913	3,927,324,212	33
261,930,469	1,047,721,876	1,321,715,129	3,979,173,944	33
278,548,460	1,114,193,840	1,261,352,390	3,823,501,706	33
259,983,771	1,039,935,084	1,234,458,601	3,725,063,371	33
244,868,858	979,475,432	1,220,345,718	3,661,316,304	33
211,234,870	844,939,480	1,080,009,860	3,223,339,574	34

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

Year	School Levy	County Levy	Berea City	Middleburg Heights City	Brookpark City	Polaris J.V.S.D.
2003	\$69.80	\$17.60	\$17.60	\$5.45	\$4.80	\$2.40
2002	63.80	17.60	17.50	5.60	4.80	2.40
2001	63.80	17.60	17.60	5.60	4.80	2.40
2000	63.90	16.70	17.70	5.60	4.80	2.40
1999	58.00	16.70	17.70	5.60	4.50	2.40
1998	57.90	18.00	17.80	5.60	5.50	2.40
1997	57.90	18.00	17.80	5.60	5.50	2.40
1996	57.00	18.00	17.80	5.90	5.50	2.50
1995	56.90	18.20	17.80	5.90	5.50	2.50
1994	57.00	17.50	18.30	5.90	5.50	2.50

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

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Debt Service Included in Total Levy			
School	County	City	Total
\$0.95	\$0.91	\$6.40	\$8.26
0.85	0.86	6.55	8.26
0.85	0.79	6.15	7.79
0.95	0.85	6.25	8.05
0.95	0.72	6.20	7.87
0.95	0.60	6.15	7.70
0.85	0.90	6.03	7.78
0.95	0.87	6.03	7.85
0.85	0.76	5.39	7.00
1.00	0.68	6.00	7.68

**Berea City School District**  
*Ratio of Net General Obligation Bonded Debt to  
 Assessed Value and Net Bonded Debt Per Capita  
 Last Ten Years*

<u>Year</u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2003	\$9,895,399	\$1,462,737,652	55,730	0.68%	\$178
2002	10,621,147	1,474,550,481	55,730	0.72	191
2001	11,290,474	1,482,594,794	55,730	0.76	203
2000	11,828,866	1,328,082,121	59,420	0.89	199
1999	12,271,066	1,309,603,913	63,986	0.94	192
1998	12,748,031	1,321,715,129	62,590	0.96	204
1997	13,030,060	1,261,352,390	62,590	1.03	208
1996	13,350,237	1,234,458,601	60,702	1.08	220
1995	13,710,350	1,220,345,718	60,702	1.12	226
1994	13,864,828	1,080,009,860	60,702	1.28	228

Source: Cuyahoga County Auditor, School District Financial Records, and the U.S. Census Bureau

**Berea City School District**  
*Computation of Legal Debt Margin*  
 June 30, 2003

Assessed Valuation	<u>\$1,462,737,652</u>
Debt Limit - 9% of Assessed Value (1)	\$131,646,389
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	11,265,000
Less: Amount Available in Debt Service Fund	<u>(1,369,601)</u>
Amount of Debt Subject to Limit	<u>9,895,399</u>
Overall Debt Margin	<u>\$121,750,990</u>
Debt Margin - .10% of Assessed Value (1)	\$1,462,738
Amount of Debt Applicable	<u>\$0</u>
Unvoted Debt Margin	<u>\$1,462,738</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.

**Berea City School District**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2002*

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct:			
Berea City School District	<u>\$11,715,000</u>	<u>100.00 %</u>	<u>\$11,715,000</u>
Overlapping:			
Cuyahoga County	200,162,636	5.12	10,248,327
Regional Transit Authority	136,310,000	5.12	6,979,072
Berea City	15,038,430	93.72	14,094,017
Brookpark City	4,836,000	100.00	4,836,000
Middleburg Heights City	<u>25,532,030</u>	100.00	<u>25,532,030</u>
Total Overlapping	<u>381,879,096</u>		<u>61,689,446</u>
Total			<u><u>\$73,404,446</u></u>

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

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



**Berea City School District**  
*Ratio of Annual Debt Service Expenditures For  
 General Obligation Bonded Debt to General Governmental Expenditures  
 Last Ten Fiscal Years*

Year	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service to Governmental Fund Expenditures
2003	\$450,000	\$651,229	\$1,101,229	\$71,767,195	1.53%
2002	430,000	707,526	1,137,526	74,166,158	1.53
2001	410,000	734,826	1,144,826	71,128,226	1.61
2000	395,000	760,870	1,155,870	65,254,959	1.77
1999	350,000	785,113	1,135,113	64,780,691	1.75
1998	300,000	806,326	1,106,326	64,824,211	1.71
1997	275,000	852,326	1,127,326	60,529,494	1.86
1996	225,000	841,263	1,066,263	53,759,844	1.98
1995	200,000	855,076	1,055,076	62,618,220	1.68
1994	275,000	1,020,540	1,295,540	52,966,374	2.45

Source: School District Financial Records

**Berea City School District**  
*Demographic Statistics*  
*Last Ten Years*

Year	Cuyahoga County Population	Berea City Population	Middleburg Heights City Population	Brook Park City Population	School Enrollment	Unemploymen Rate (1)
2003	1,380,421	18,970	15,542	21,218	7,561	6.2%
2002	1,380,421	18,970	15,542	21,218	7,737	6.0
2001	1,393,978	18,970	15,542	21,218	7,809	4.3
2000	1,373,000	19,051	17,504	22,865	7,814	5.0
1999	1,406,139	20,301	17,302	26,383	7,941	4.6
1998	1,398,169	19,960	16,813	25,817	7,946	3.9
1997	1,398,169	19,960	16,813	25,817	7,958	4.6
1996	1,398,169	19,500	14,702	26,500	7,997	4.7
1995	1,412,140	19,500	14,702	26,500	7,977	4.9
1994	1,412,140	19,500	14,702	26,500	7,879	5.3

Source: Information in this table was provided by the U .S. Census Bureau, and schooc financial records.

(1) Represents Cuyahoga County

**Berea City School District**  
*Property Value, Industrial Employment,  
 Financial Institution Deposits and Building Permits  
 Last Ten Years*

Year (3)	Property Value (1) (Real Estate Only)	Industrial Employment	Financial Institution Deposits (000's) Banks	Value of Building Permits Issued
2002	\$1,216,757,830	N/A	\$95,760,917	\$53,648,291
2001	1,197,553,870	N/A	88,346,368	56,954,231
2000	1,027,815,310	N/A	61,942,764	52,934,621
1999	1,005,040,090	N/A	57,816,942	49,628,432
1998	1,003,703,030	N/A	58,904,596	47,928,289
1997	925,444,240	N/A	53,941,971 (2)	42,469,432
1996	916,893,060	N/A	27,068,211	38,923,621
1995	914,320,920	N/A	22,458,573	37,893,542
1994	808,445,250	N/A	20,885,453	39,598,388
1993	809,606,320	1,054,900	21,009,421	44,289,198

Source: Ohio Bureau of Employment Services and Federal Reserve Bank of Cleveland

(1) Represents assessed value.

(2) Large increase in deposits due to Key Bank becoming single charter in 1997.

(3) Data is presented on a calendar year basis. 2003 information is not available.

**Berea City School District**

*Principal Taxpayers*

*Real Estate Tax*

*December 31, 2002*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Ford Motor Company	\$30,353,180	2.48 %
Southland Store Company	11,174,600	0.91
Islander Company	10,459,310	0.85
Techpark Ltd. Partnership	6,447,780	0.53
City of Middleburg Heights	5,319,410	0.43
MWP Company	7,397,650	0.60
Sears, Roebuck, Inc.	4,130,000	0.34
Tower In the Park, Ltd.	4,014,430	0.33
Ch/Equity Cle. I LLC	2,936,610	0.24
Berea Properties Company	<u>2,435,480</u>	<u>0.20</u>
Total	<u><u>84,668,450</u></u>	<u><u>6.91 %</u></u>
Total Real Estate Valuation	<u><u>\$1,224,546,650</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 2003

**Berea City School District**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*December 31, 2002*

Name of Taxpayer	Assessed Value (1)	Percent of Tangible Assessed Value
Ford Motor Company	\$54,761,150	27.46 %
Marc Glassman Inc.	10,798,910	5.41
Engelhard Corp.	3,262,790	1.64
Ken Mac Metals Inc.	3,033,650	1.52
GSS Inc.	2,616,140	1.31
Sunnyside Automotive Inc.	2,366,740	1.19
Foseco Metallurgical Inc.	2,320,670	1.16
IBM Credit LLC	2,289,450	1.15
Codonics Inc.	2,031,770	1.02
Hawk Corp.	1,984,660	1.00
Total	<u>\$85,465,930</u>	<u>42.86 %</u>
Total Tangible Assessed Valuation	<u>\$199,438,922</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 2003

**Berea City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*December 31, 2002*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$16,065,520	41.46 %
Ohio Bell Telephone Co.	10,780,760	27.82
American Transmissions Systems	3,316,900	8.56
Columbia Gas of Ohio, Inc.	1,891,490	4.88
East Ohio Gas, Inc.	<u>657,450</u>	<u>1.70</u>
Total	<u>\$32,712,120</u>	<u>84.42 %</u>
Total Public Utility Assessed Value	<u>\$38,752,080</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 2003

**Berea City School District**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Fiscal Year	General Fund Expenditures	Average Student Enrollment	Per Pupil Cost
2003	\$64,879,724	7,561	\$8,581
2002	67,580,518	7,737	8,735
2001	65,451,555	7,809	8,382
2000	59,855,230	7,814	7,660
1999	59,125,633	7,941	7,446
1998	57,246,101	7,946	7,204
1997	55,273,812	7,958	6,946
1996	49,786,027	7,997	6,226
1995	50,077,966	7,977	6,278
1994	43,436,260	7,879	5,513

Source: School District Financial Records.

**Berea City School District**  
*Teacher Education and Experience*  
 June 30, 2003

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	41	6.70 %
Bachelor + 15	53	8.66
Bachelor + 30	45	7.35
Master's Degree	292	47.71
Master's + 15	96	15.69
Master's + 30	42	6.86
Ph. D.	43	7.03
Total	612	100.00 %

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	118	19.28 %
6 - 10	171	27.94
11 and over	323	52.78
Total	612	100.00 %

Source: School District Personnel Records





**Auditor of State  
Betty Montgomery**

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**BEREA 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 15, 2004**