

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2006**



**Auditor of State  
Betty Montgomery**





Mary Taylor, CPA  
Auditor of State

January 19, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

*Mary Taylor*

MARY TAYLOR, CPA  
Auditor of State

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**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2006**

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	\$0	\$81,312	\$0	\$81,312
School Breakfast Program	05PU-2005	10.553	12,412	0	12,412	0
School Breakfast Program	05PU-2006	10.553	39,312	0	39,312	0
Subtotal School Breakfast Program			51,724	0	51,724	0
National School Lunch Program	LLP4-2005	10.555	149,732	0	149,732	0
National School Lunch Program	LLP4-2006	10.555	366,404	0	366,404	0
Subtotal National School Lunch Program			516,136	0	516,136	0
<b>Total U.S. Department of Agriculture - Nutrition Cluster</b>			<b>567,860</b>	<b>81,312</b>	<b>567,860</b>	<b>81,312</b>
<b>U.S. Department of Education</b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I	C1S1-2005	84.010	(35,739)	0	50,345	0
Title I	C1S1-2006	84.010	401,394	0	330,855	0
Neglected, Title I	C1SN-2005	84.010	13,517	0	15,314	0
Neglected, Title I	C1SN-2006	84.010	89,207	0	84,396	0
Subtotal Title I			468,379	0	480,910	0
Special Education Cluster:						
IDEA Part B	6BSF-2005	84.027	(104,267)	0	78,893	0
IDEA Part B	6BSF-2006	84.027	1,541,483	0	1,430,451	0
Special Education - Autism Spectrum Disorder	6BSA-2005	84.027	(4,892)	0	5,033	0
Special Education - Autism Spectrum Disorder	6BSA-2006	84.027	30,211	0	19,999	0
Subtotal IDEA Part B and Autism Spectrum Disorder			1,462,535	0	1,534,376	0
Preschool Disability Grant	PGS1-2005	84.173	4,641	0	7,072	0
Preschool Disability Grant	PGS1-2006	84.173	41,304	0	33,947	0
Subtotal Preschool Disability Grant			45,945	0	41,019	0
<b>Total Special Education Cluster</b>			<b>1,508,480</b>	<b>0</b>	<b>1,575,395</b>	<b>0</b>
Drug Free School Grant	DRS1-2005	84.186	(3,588)	0	13,910	0
Drug Free School Grant	DRS1-2006	84.186	27,884	0	9,945	0
Total Drug Free School Grant			24,296	0	23,855	0
Innovative Programs, Title V	C2S1-2005	84.298	(290)	0	288	0
Innovative Programs, Title V	C2S1-2006	84.298	23,698	0	24,883	0
Total Innovative Programs, Title V			23,408	0	25,171	0
Title II, Part D - Education Technology	TJS1-2005	84.318	(2,304)	0	0	0
Title II, Part D - Education Technology	TJS1-2006	84.318	15,437	0	14,197	0
Total Title II, Part D - Education Technology			13,133	0	14,197	0
Advanced Placement Program	AVTF-2004	84.330	468	0	468	0
Title III LEP	T3S1-2005	84.365	2,174	0	1,780	0
Title III LEP	T3S1-2006	84.365	21,554	0	18,798	0
Immigrant, Title III	T3S2-2005	84.365	(146)	0	0	0
Total Title III LEP			23,582	0	20,578	0
Title II, Part A - Teacher and Principal Training and Recruiting	TRS1-2005	84.367	36,834	0	0	0
Title II, Part A - Teacher and Principal Training and Recruiting	TRS1-2006	84.367	151,212	0	135,187	0
Total Title II, Part A - Teacher and Principal Training and Recruiting			188,046	0	135,187	0
Hurricane Education Recovery	HR01-2006	84.938	2,000	0	0	0
<b>Total U.S. Department of Education</b>			<b>2,251,792</b>	<b>0</b>	<b>2,275,761</b>	<b>0</b>
<b>Total Federal Financial Assistance</b>			<b>\$2,819,652</b>	<b>\$81,312</b>	<b>\$2,843,621</b>	<b>\$81,312</b>

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

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2006**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

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

**NOTE D - NEGATIVE RECEIPTS**

The Ohio Department of Education (ODE) transferred federal monies from grant year 2005 to grant year 2006 for several of the District's federal grants. These transfers appear as negative receipts in the 2005 grant year and positive receipts in the 2006 grant year. This action by ODE allowed the District to extend the availability period for expenditure of these receipts.

N/A - Not applicable.

CFDA - Catalog of Federal Domestic Assistance.





## Auditor of State Betty Montgomery

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the 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, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2006, wherein we noted the District restated net assets in the governmental activities and business-type activities for compensated absences as discussed in Note 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 28, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 28, 2006, we reported other matters related to noncompliance we deemed immaterial.

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

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

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

**Betty Montgomery**  
Auditor of State

December 28, 2006



**Auditor of State  
Betty Montgomery**

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

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

To the Board of Education

**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 apply to each of its major federal programs for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Berea City School District, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2006. In a separate letter to the District's management dated December 28, 2006, we reported other matters related to federal noncompliance not requiring inclusion in this report.

### **Internal Control Over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 28, 2006.

### **Federal Awards Receipts and Expenditures Schedule**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 28, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Betty Montgomery**  
Auditor of State

December 28, 2006

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2006**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster / 10.553 and 10.555 Title I / 84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

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

None.



# Berea, Ohio City School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2006



Andrew T./1<sup>st</sup> Grade  
Parknoll Elementary School  
Art Instructor: Denise Krock

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





# INTRODUCTORY SECTION

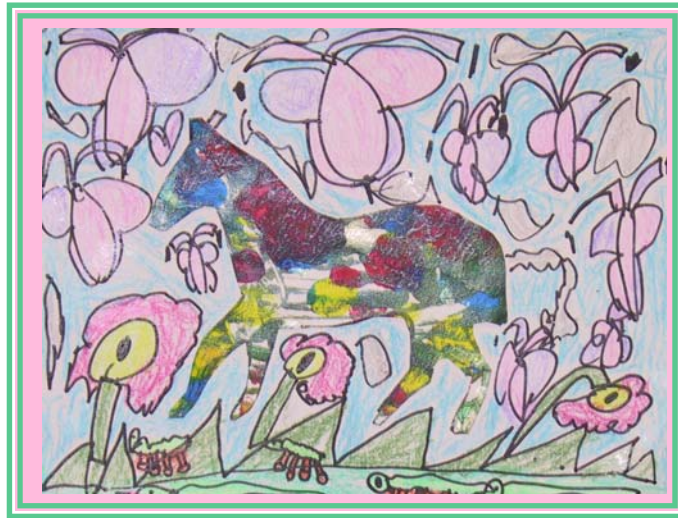


Kendall P./8<sup>th</sup> Grade  
Ford Middle School  
Art Instructor: Christine Donahue

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# Berea City School District

## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2006



Lauren L./1<sup>st</sup> Grade  
Big Creek Elementary School  
Art Instructor: Kathy Jadud

**BEREA, OHIO**

**Berea City School District**  
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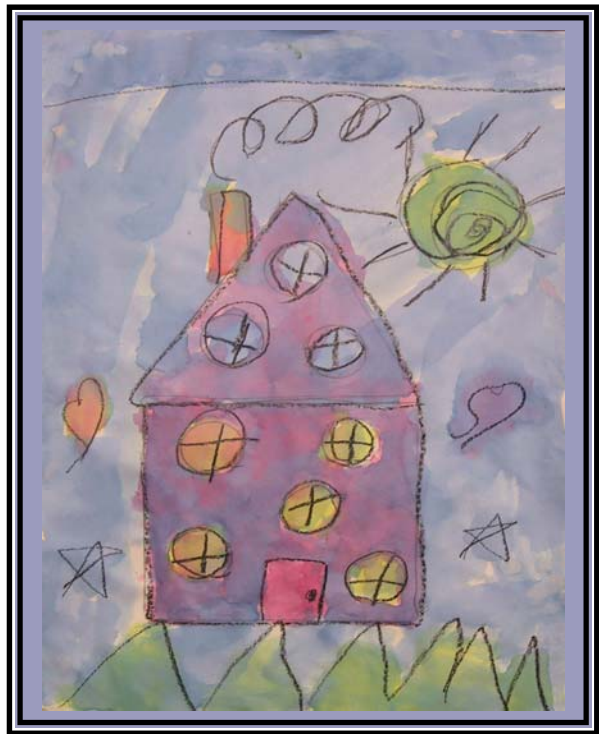
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Caitlin K./Kindergarten  
Big Creek Elementary School  
Art Instructor: Kathy Jadud





December 28, 2006

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

We are pleased to submit to you the sixteenth 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.

### School District Organization

Berea City School District is one of the 614 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is an independent school district that provides education to 7,526 students in grades kindergarten through twelfth. The projected enrollment for Fiscal Year 2007 is 7,404. Additionally, the School District provides preschool, after school, adult and community education services to a large number of students. The School District has 11 school buildings, with ages from 40 to 78 years. 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.

**Our Vision:** To Inspire Excellence  
**Our Mission:** To help students achieve dreams they never imagined possible  
**Our Goals:** Accelerate Student Achievement  
Fund the Future  
Promote Excellence with One Voice

**Berea**  
**Brook Park**  
**Middleburg Heights**

**Derran K. Wimer**  
Superintendent of Schools

**Randy Scherf**  
Treasurer

390 Fair Street  
Berea, OH 44017-2308  
440-243-6000  
Fax 440-243-5522  
[www.berea.k12.oh.us](http://www.berea.k12.oh.us)

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 Association 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 approximately 4,000 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 than 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 2,472 people and Southwest General Hospital, which employs 2,915 people.

## **Major Initiatives**

*For the Year* The Berea City School District has established three main goals: accelerate student achievement, fund the future, and promote excellence with one voice. Through the use of benchmarking and data analysis, this District will work to achieve these goals. The District passed a 5.25 mill levy in May 2006. Collection of this levy will begin in January 2007.

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, the 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.

### *Primary accomplishments for 2006 were as follows:*

#### ***Financial***

Successfully balanced budget for fiscal year 2007.

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

Received the Outstanding Award in Popular Financial Reporting from the Government Finance Officer's Association (GFOA).

Passed a 5.25 mill continuing operating levy.

#### ***Instruction***

Revised the curriculum review cycle to reflect the dynamic nature of content area knowledge and student needs, calling for annual program review and evaluation based on student achievement and stakeholder input.

Supported the full implementation of PROM/SE, the training of teachers to promote rigorous outcomes in mathematics and science education. This included teacher participation in high-quality staff development in the content areas of mathematics and science.

Launched the assessment for learning staff development program with a leadership team of over 40 teachers in grades K-12.

## ***Community***

The Educational Community Foundation expanded their grants to students and staff for educational and instructional programs and expanded endowments.

***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 2007 are:***

### ***Financial***

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

Receive the Certificate of Excellence in Financial Reporting for the School District's 2006 fiscal year for the Comprehensive Annual Financial Report on the reporting model for the eighth year.

Complete the negotiations process with each of our labor groups.

Monitor and achieve substantial cost savings in our health insurance program.

Receive the Award of Outstanding Achievement for the District's *2006 Citizens Financial Report*.

### ***Instruction***

Initiate training of all District teachers on the appropriate integration of classroom assessment practices into the instructional process in order to promote student achievement and confidence. Provide teachers with student achievement data in real time through computerized assessments and internet-based reporting systems.

Provide leadership training in differentiated instructional practices to increase awareness about the benefits of such practices among building principals.

Promote the integration of technology into daily instruction to enhance the teaching and learning process. Provide teachers with mini-grant opportunities to pursue individual technology initiatives within their classrooms.

Rewrite the courses of study in science, health, and physical education. Review the English/Language Arts course of study in preparation for revision in 2007. Adopt resources that align with District instructional goals in science, health, physical education and art.

***Service Efforts*** There are currently thirty 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 to support and enhance educational opportunities for the youth of the communities served by the School District. The Foundation funds grants to students and staff through a voluntary employee payroll deduction program. The Foundation awards a yearly endowment grant and also accepts, manages, and in accordance with donors' intent, awards scholarships to deserving students.

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 that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District adopts the permanent appropriation measure prior to October 1st.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any 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 function level in the general fund and fund level for all other funds. 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 eighth 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 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 and the Independent Accountants' Report, providing an assessment of the School District's finances for 2006 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. The internal service fund had net assets of \$951,274 at June 30, 2006, compared with net assets of (\$348,526) at June 30, 2005.

**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 \$13,647 at June 30, 2006.

## **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 \$738,107 for the fiscal year ended 2006.

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 uninsured 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 2006, investments were limited to FNMA Bank Bonds, Commercial Paper, overnight Repurchase Agreements, Certificate's of Deposit, 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.

During fiscal year 2006, 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 Insurances.

The School District contracts for general liability insurance with Indiana Insurance with a \$1,000,000 claims made coverage and a \$10,000,000 umbrella.

## **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, 2006. 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, 2005.

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*** Fourteen of our teachers have completed the rigorous requirements set by the National Board for Professional Teaching Standards and achieved National Board Certification, while several additional teachers are completing the process this year. The Berea City School District is rated as an Excellent district by the Ohio Department of Education.

## 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



Derran K. Wimer  
Superintendent



# 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, 2005

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**

Mrs. Gale Patten..... President  
Mr. David Pusti..... Vice-President  
Mr. Robert Drake ..... Member  
Mr. Kenneth Slovick ..... Member  
Mr. Fred Szabo ..... Member

**Treasurer**

Mr. Randal A. Scherf

**Administration**

Mr. Derran Wimer ..... Superintendent  
Mrs. Catherine Aukerman..... Assistant Superintendent  
Mrs. Jennie Adams..... Director, Pupil Personnel  
Mrs. Nancy Braford ..... Director, School/Community Relations  
Mr. Matthew Deevers ..... Director, Curriculum & Instruction  
Mr. Jeffrey Grosse ..... Director, Business Services  
Mr. Kevin Jaynes ..... Director, Information Technology  
Mr. Michael Sheppard ..... 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/Interns

Athletic Directors

Middle School Principals & Assistant Principals/Interns

Elementary Principals & Interns

**Director Business Services**

Supervisor/Assistant Supervisor Buildings & Grounds

Supervisor/Assistant Supervisor Transportation

Supervisor Nutrition Services

Coordinator Purchasing

**Director Community Relations**

Community & Adult Basic Education Coordinator

**Director Curriculum**

Curriculum Coordinator

**Director Information Technology**

Network Manager

Supervisor Data Processing

Data Processing Analyst

**Director Personnel & Employee Relations**

**Director Pupil Services**

Principal Snow School

Psychologists

Coordinators Preschool Program Extended Care Program



**ORGANIZATIONAL CHART  
BEREA CITY SCHOOLS**



Jade B./7<sup>th</sup> Grade  
Ford Middle School  
Art Instructor: Christine Donahue

# FINANCIAL SECTION



Delaney Y./2<sup>nd</sup> Grade  
Big Creek Elementary School  
Art Instructor: Kathy Jadud

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the 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, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, the District restated net assets in the governmental activities and business-type activities for compensated absences.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2006, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



**Betty Montgomery**  
Auditor of State

December 28, 2006



**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*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, 2006. 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, the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Key financial highlights for 2006 are as follows:

*Overall:*

- Total net assets increased \$5 million, the increase was entirely in Governmental Activities.
- Total revenue decreased to \$82.6 million from \$83.4 million in 2005, a decrease of \$.8 million. Governmental activities decreased \$.9 million and business activities increased by \$.1 million.
- Total program expenses were \$77.7 million, down from \$78.9 million in 2005, a decrease of \$1.2 million. Governmental activities decreased \$1.6 million and business type activities increased \$.3 million.
- Outstanding debt decreased to \$11.1 million from \$11.2 million in 2005 and \$11.5 million in 2004.

*Governmental Activities:*

- Assets increased by \$ 10.2 million, and liabilities increased by \$ 5.2 million.
- Total revenue decreased from \$80.3 million in 2005 to \$79.4 million in 2006, and program expenses decreased from \$76.0 million to \$74.4 million.
- The decrease in revenue is primarily due to the reduction rates in personal property taxes, offset by an increase in intergovernmental revenues.

*Business-Type Activities:*

- Program revenues increased by \$.1 million for Business Activities. Expenses increased by \$.3 million .
- Days cash for all Business-Type Activities decreased to 76 operating days for business activities from 92 in 2005 and increased from 63 in 2004.
- Net assets in Food Service increased \$36,739, Uniform School Supplies decreased \$3,325, and Adult and Community Education decreased \$54,156.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*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 2006?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental Activities – 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, 2006  
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 2006 compared to the two prior years:

Table 1.  
Net Assets  
(In Millions)

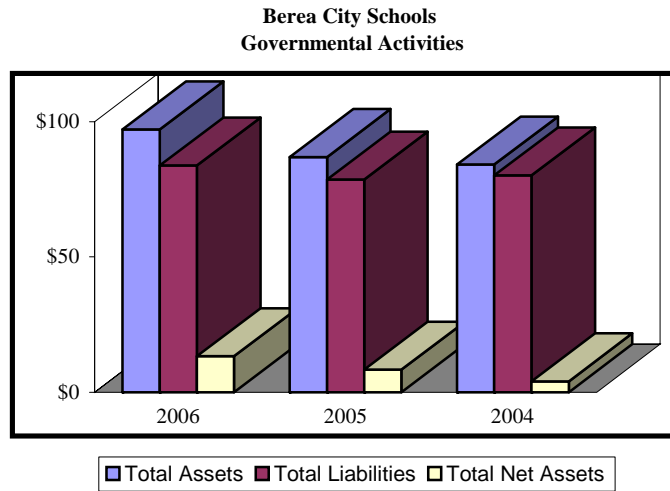
	<i>Governmental Activities</i>			<i>Business -Type Activities</i>			<i>Totals</i>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<i>Assets</i>									
Current and Other Assets	\$ 82.4	\$ 71.7	\$ 68.2	\$ 0.8	\$ 0.9	\$ 0.6	\$ 83.2	\$ 72.6	\$ 68.8
Capital Assets	<u>14.7</u>	<u>15.2</u>	<u>15.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>14.7</u>	<u>15.2</u>	<u>16.0</u>
<i>Total Assets</i>	<u>97.1</u>	<u>86.9</u>	<u>84.1</u>	<u>0.8</u>	<u>0.9</u>	<u>0.7</u>	<u>97.9</u>	<u>87.8</u>	<u>84.8</u>
<i>Liabilities</i>									
Long Term Liabilities	(15.7)	(15.5)	(17.6)	(0.1)	(0.2)	(0.2)	(15.8)	(15.7)	(17.8)
Other Liabilities	<u>(68.1)</u>	<u>(63.1)</u>	<u>(62.5)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(68.3)</u>	<u>(63.3)</u>	<u>(62.7)</u>
<i>Total Liabilities</i>	<u>(83.8)</u>	<u>(78.6)</u>	<u>(80.1)</u>	<u>(0.3)</u>	<u>(0.4)</u>	<u>(0.4)</u>	<u>(84.1)</u>	<u>(79.0)</u>	<u>(80.5)</u>
<i>Net Assets</i>									
Invested in Capital Assets									
Net of Debt	3.7	4.2	4.7	0.0	0.0	0.1	3.7	4.2	4.8
Restricted	6.0	4.4	4.2	-	-	-	6.0	4.4	4.2
Unrestricted (deficit)	<u>3.6</u>	<u>(0.3)</u>	<u>(4.9)</u>	<u>0.5</u>	<u>0.5</u>	<u>0.2</u>	<u>4.1</u>	<u>.2</u>	<u>(4.7)</u>
<i>Total Net Assets</i>	<u>\$ 13.3</u>	<u>\$ 8.3</u>	<u>\$ 4.0</u>	<u>\$ 0.5</u>	<u>\$ 0.5</u>	<u>\$ 0.3</u>	<u>\$ 13.8</u>	<u>\$ 8.8</u>	<u>\$ 4.3</u>

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

***Governmental Activities***

Graph 1.  
 Net Assets Governmental Activities  
 (In Millions)

	<i>Governmental Activities</i>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Total Assets	\$97.1	\$86.9	\$84.1
Total Liabilities	<u>83.8</u>	<u>78.6</u>	<u>80.1</u>
Total Net Assets	<u>\$13.3</u>	<u>\$ 8.3</u>	<u>\$ 4.0</u>



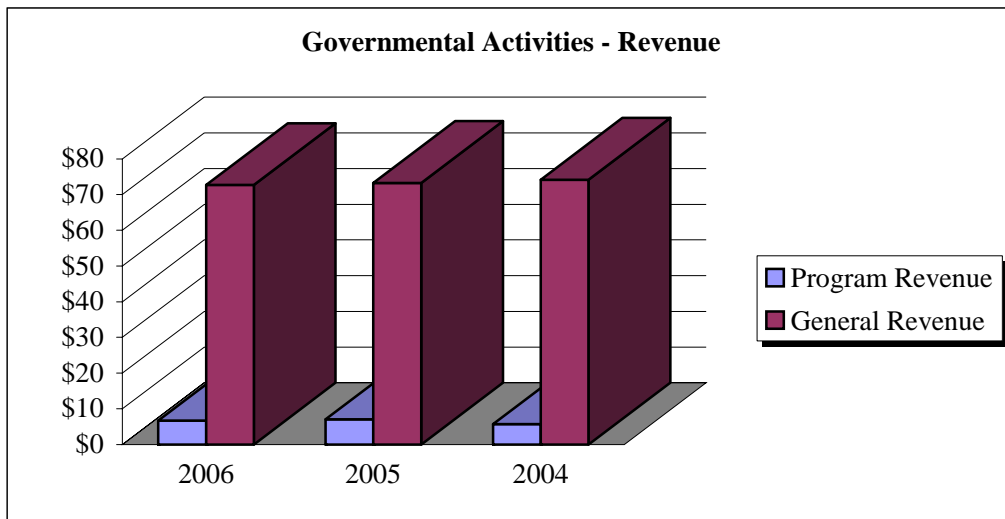
Total assets increased by \$10.2 million. Taxes receivable totaled \$66.0 million; of this amount \$57.6 million is offset as deferred revenue, revenue to be used in future periods. Cash increased from \$7.1 million in 2005 to \$12.3 million in 2006. Total liabilities for Governmental Activities increased by \$ 5.2 million.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

Program revenue decreased in Governmental Activities from \$7.0 million to \$6.7 million, the vast majority of revenue supporting Governmental Activities is general revenue. General revenue decreased in 2006 to \$72.7 million from \$73.3 million in 2005. General revenue comprised 91 percent of revenue supporting Governmental Activities. The primary source of the decrease in general revenues was due to the reduction of personal property tax collection, offset by an increase in intergovernmental revenues. Taxes comprised \$56.3 million of general revenue in 2006, compared to \$58.3 million in 2005 and \$59.2 million in 2004.

Graph 2.  
 Revenue For Governmental Activities  
 (In Millions)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenue	\$6.7	\$7.0	\$5.7
General Revenue	72.7	73.3	74.2

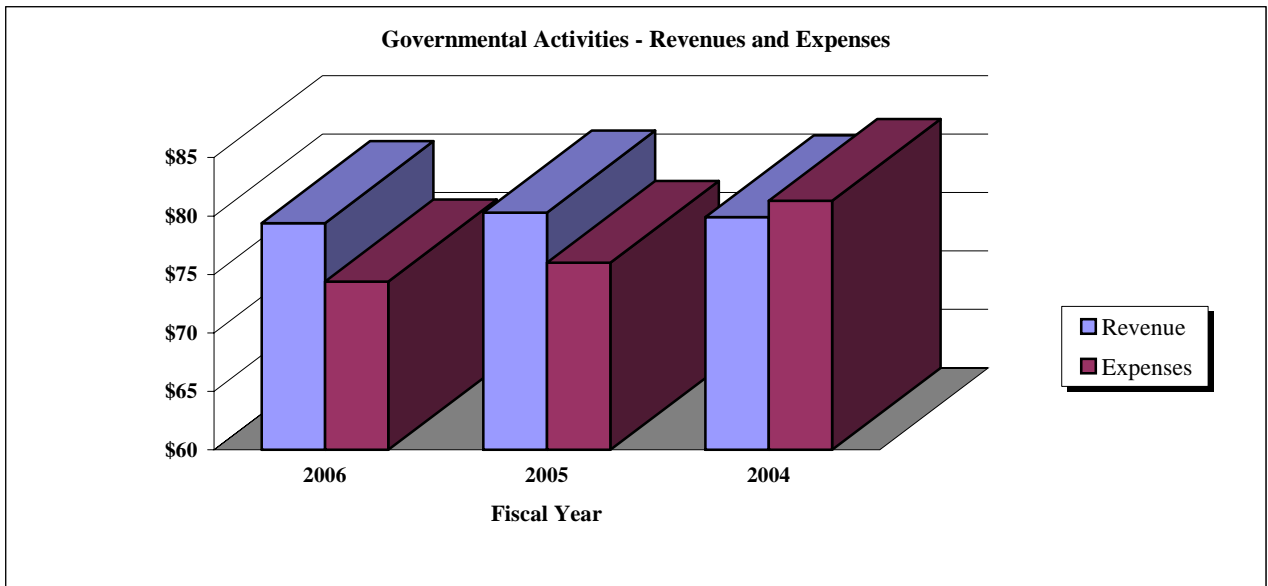


**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

Expenses decreased from \$81.3 million in 2004 to \$76 million in 2005 and then decreased to \$74.4 million in 2006.

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

<i>Governmental Activities</i>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenue	\$79.4	\$80.3	\$79.9
Expenses	74.4	76.0	81.3



The decrease in revenue between 2005 and 2006 is due to a decrease in program and general revenues. Operating grants and capital grants decreased due to the elimination and reduction of some of the state and federal funds. The \$1.6 million decrease in expenses is due to the School District implementing budget cuts during fiscal year 2006.

**Berea City School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2006  
Unaudited

Table 2 shows the changes in net assets for fiscal year 2006 for Governmental Activities compared to the two prior years.

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Revenues</b>			
<i>Program Revenues:</i>			
Charges For Services and Sales	\$ 2.8	\$ 2.8	\$ 2.2
Operating Grants	3.9	4.1	3.4
Capital Grants and Contributions	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>
<b>Total Program Revenues</b>	<u>6.7</u>	<u>7.0</u>	<u>5.7</u>
<i>General Revenue:</i>			
Property Taxes	56.3	58.3	59.2
Grants and Entitlements	15.5	14.5	14.7
Other	<u>0.9</u>	<u>0.5</u>	<u>.3</u>
<b>Total General Revenue</b>	<u>72.7</u>	<u>73.3</u>	<u>74.2</u>
<b>Total Revenue</b>	<u>79.4</u>	<u>80.3</u>	<u>79.9</u>
<b>Program Expenses</b>			
Instruction	\$ 40.6	\$ 41.9	\$ 45.7
<i>Support Services:</i>			
Pupil and Instructional Staff	10.0	10.5	11.8
Board of Education, Administration, Fiscal and Business	6.9	6.7	6.8
Operation and Maintenance of Plant	8.0	7.8	8.5
Pupil Transportation	3.8	3.8	3.6
Central	2.5	2.1	2.0
Non-Instructional Services	0.8	1.1	0.7
Extracurricular Services	1.3	1.6	1.7
Interest and Fiscal Changes	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<b>Total Expenses</b>	<u>74.4</u>	<u>76.0</u>	<u>81.3</u>
 <b>Increase (Decrease) In Net Assets</b>	 <u>\$ 5.0</u>	 <u>\$ 4.3</u>	 <u>\$ (1.4)</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 71 percent of revenues for governmental activities for Berea City School District in fiscal year 2006.

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>2006</u>		<u>2005</u>		<u>2004</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	\$ 40.6	\$ 37.0	\$ 41.9	\$ 38.3	\$ 45.7	\$ 42.9
Support Services						
Pupil and Instructional Staff	10.0	8.5	10.5	9.0	11.8	10.6
Board of Education, Administration, Fiscal and Business	6.9	6.7	6.7	6.5	6.8	6.6
Operation and Maintenance of Plant	8.0	8.0	7.8	7.7	8.5	8.4
Pupil Transportation	3.8	3.7	3.8	3.7	3.6	3.5
Central	2.5	2.4	2.1	2.1	2.0	2.0
Operation of Non-Instructional Services	0.8	0.0	1.1	0.1	.7	(0.1)
Extracurricular Activities	1.3	0.8	1.6	1.1	1.7	1.2
Interest and Fiscal Charges	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Expenses	<u>\$ 74.4</u>	<u>\$ 67.6</u>	<u>\$ 76.0</u>	<u>\$ 69.0</u>	<u>\$ 81.3</u>	<u>\$ 75.6</u>

The dependence upon general tax revenues for governmental activities is apparent. Over 91 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 91 percent as shown in Table 3. The community, as a whole, is by far the primary support for Berea City School District students.

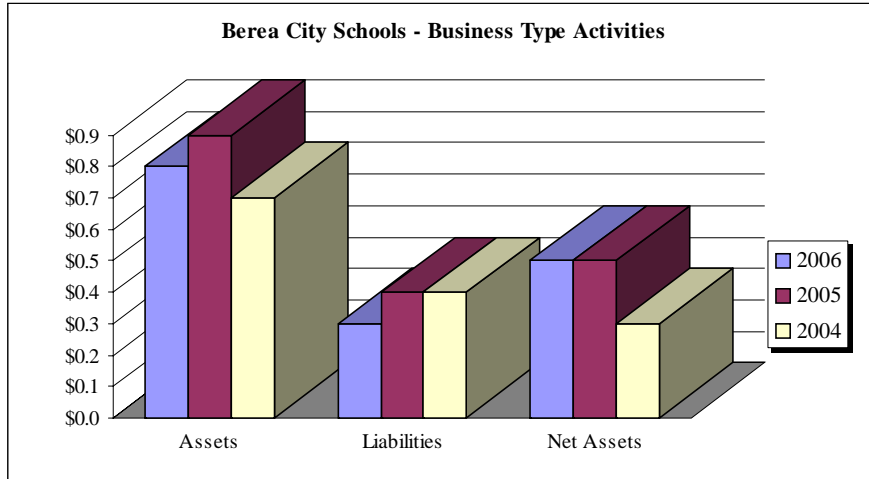
***Business-Type Activities***

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 \$20,742 in 2006. Cash has remained consistent from 2005 to 2006 at \$.7 million. As well, "days cash" is 14 less than management's goal of 90 days. Program revenues support business-type activities.



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



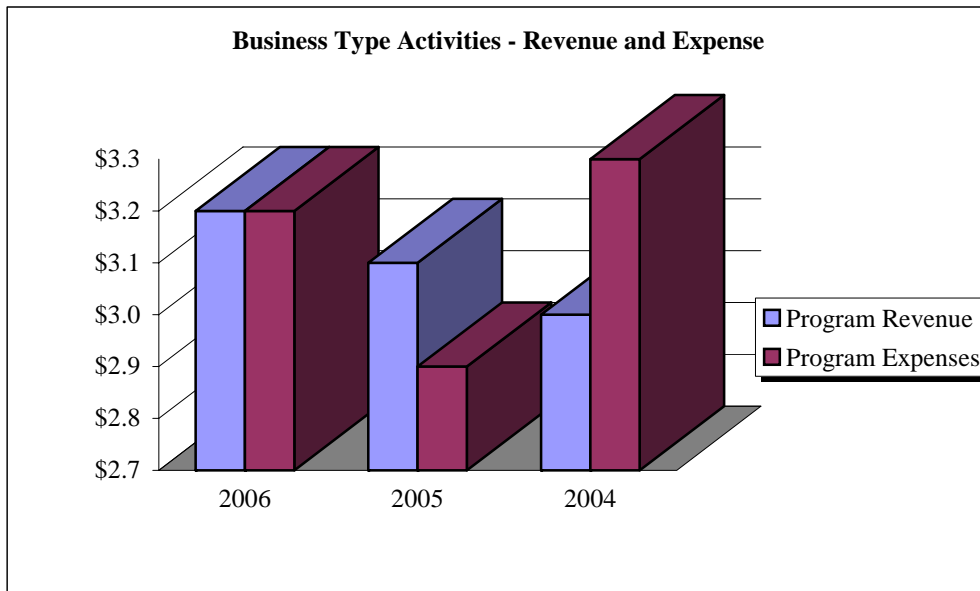
Graph 4.  
 Net Assets Business Type Activities  
 (In Millions)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assets	\$ 0.8	\$ 0.9	\$ 0.7
Liabilities	0.3	0.4	0.4
Net Assets	0.5	0.5	0.3

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

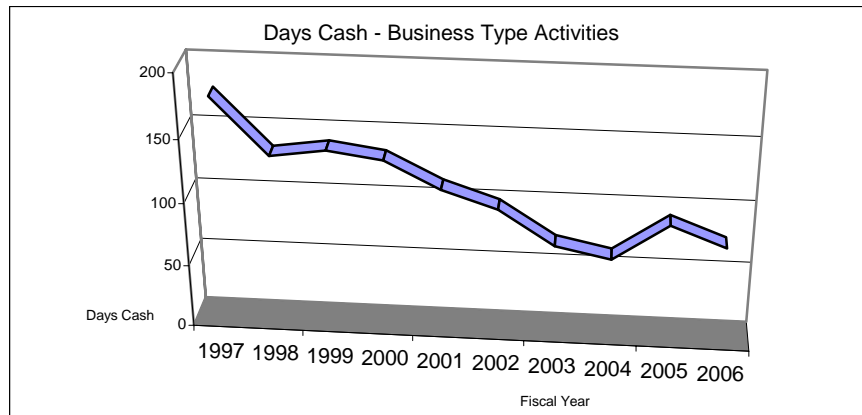
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenue	\$ 3.2	\$ 3.1	\$ 3.0
Program Expenses	3.2	2.9	3.3

**Berea City School District**  
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Graph 6.  
 Days Cash Business-Type Activities

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Days Cash (1996 - 2000)	178	134	140	134	113
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Days Cash (2001 2005)	99	72	63	92	76



**Berea City School District**  
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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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues												
Charges For Service and Sales	\$ 1.4	\$ 1.3	\$ 1.4	\$ 0.1	\$ 0.1	\$ 0.1	\$ 1.1	\$ 1.1	\$ 1.0	\$ 2.6	\$ 2.5	\$ 2.5
Operating Grants and Contributions	<u>0.6</u>	<u>0.6</u>	<u>0.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.6</u>	<u>0.6</u>	<u>0.5</u>
Total Program Revenue	2.0	1.9	1.9	0.1	0.1	0.1	1.1	1.1	1.0	3.2	3.1	3.0
Program Expenses	<u>2.0</u>	<u>1.9</u>	<u>2.2</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>1.1</u>	<u>0.9</u>	<u>1.0</u>	<u>3.2</u>	<u>2.9</u>	<u>3.3</u>
Increase (Decrease) In Net Assets	<u>\$ (0.0)</u>	<u>\$ (0.0)</u>	<u>\$ (0.3)</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.2</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.2</u>	<u>\$ (0.3)</u>

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

Information about the School District's governmental funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. Governmental funds have total revenues of \$79.1 million and expenditures of \$75.8 million. The net change in the governmental funds fund balance for the year was most significant in the General Fund, where the unreserved fund balance decreased from a deficit of \$7.9 million to a deficit of \$2.5 million. The net change in the Debt Service Fund and Permanent Improvement Capital Projects Fund increased by \$276,876 and \$333,005, respectively.

***General Fund Budgeting Highlights***

The School District's budget is prepared according to Ohio law as disclosed in Note 5 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 2006 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, final budget basis revenue was \$71.7 million, above original budget estimates of \$71.0 million. Of this \$0.7 million difference, taxes were increased by \$0.6 million, and intergovernmental was \$.0.1 million above original estimates.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$70.3 million, \$2.3 million below 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 2006 the School District had \$14.7 million invested in land, buildings, equipment and vehicles,

Table 5 shows fiscal 2006 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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Land & Improvements	\$ 2.3	\$ 2.3	\$ 2.4	-	-	-	\$ 2.3	\$ 2.3	\$ 2.4
Buildings & Improvements	10.3	11.1	11.5	-	-	-	10.3	11.1	11.5
Furniture & Equipment	0.7	0.8	0.8	\$ 0.0	\$ 0.0	\$ 0.1	0.7	0.8	0.9
Vehicles	<u>1.4</u>	<u>1.0</u>	<u>1.2</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1.4</u>	<u>1.0</u>	<u>1.2</u>
Total	<u>\$ 14.7</u>	<u>\$ 15.2</u>	<u>\$ 15.9</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.1</u>	<u>\$ 14.7</u>	<u>\$ 15.2</u>	<u>\$ 16.0</u>

The decrease in capital assets is due to recognizing \$1.3 million in depreciation expense for 2006, offset by \$0.7 million in acquisitions. The School District continued its ongoing commitment to maintaining and improving its capital 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 2006, the set-aside requirements amounted to \$1.1 million for each set aside. For fiscal year 2006 the School District had \$ .3 million in capital improvements requirements that had not been met and appears as a reservation of fund balance for 2006. For 2005 the School District deferred a portion, \$ .1 million, of this amount for textbooks. Thus the required amount increased for 2006 by the deferred amount plus the \$1.1 million requirement. For 2006, \$0.3 million of this requirement has not yet been met and appears as a reservation of fund balance for 2006.

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

**Debt**

At June 30, 2006 the School District had \$11.1 million in bonds, \$0.9 million due within one year.

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

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

	<u>2006</u>		<u>2005</u>		<u>2004</u>
<i>General Obligation Bonds:</i>					
1993 School Improvement	\$ 0.3	\$	0.9	\$	1.5
2003 School Improvement Refunding	9.2		9.3		9.3
2004 Bus Acquisition Notes	0.0		0.0		0.7
2005 Bus Acquisition/Energy Bonds	0.9		1.0		0.0
2006 Bus/Motor Vehicle Acquisition	<u>0.7</u>		<u>0.0</u>		<u>0.0</u>
	\$ 11.1	\$	11.2	\$	11.5

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. On March 1, 2003 the School District issued \$9.2 million in general obligation bonds to refund \$9,205,000 of the 1993 School Improvement Bonds. On July 1, 2004 the School District issued \$1.0 million in bus acquisition and energy conservation bonds. On August 30, 2005 the School District issued \$ .7 in bus acquisition and motor vehicle acquisition bonds.

At June 30, 2006, the School District's overall legal debt margin was \$112.9 million with an unvoted debt margin of \$1.4 million. The debt is well within permissible limits. The School District maintains an A-1 bond rating. For more information refer to Note 17 to the basic financial statements.

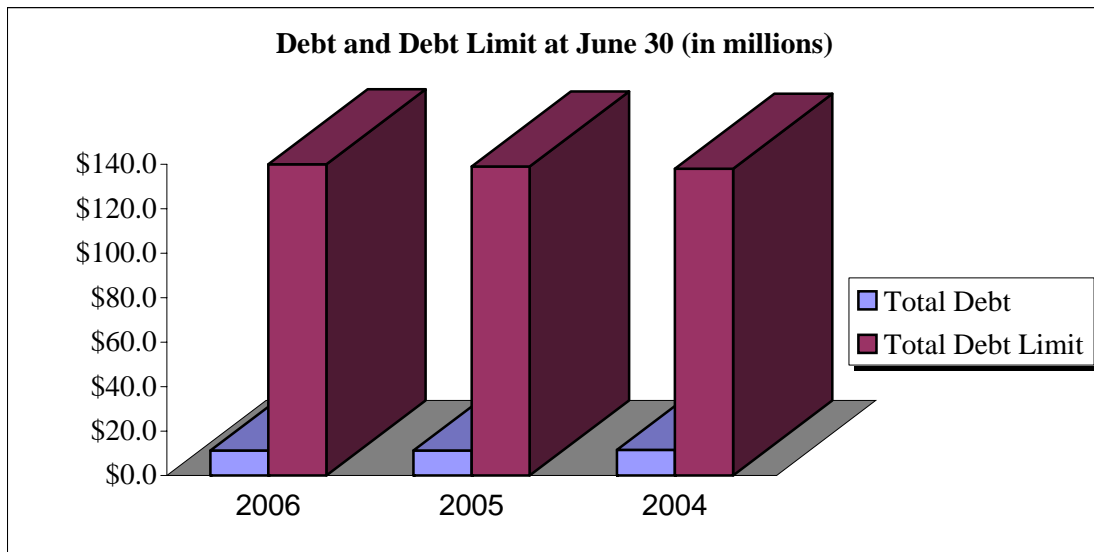
Graph 7.  
 Debt and Debt Limit At June 30  
 (In Millions)

	<u>2006</u>		<u>2005</u>		<u>2004</u>
Total Debt	\$ 11.1	\$	11.2	\$	11.5
Total Debt Limit (1)	121.6		139.1		138.0

(1) Debt limit is 9% of assessed value for debt and 0.1% of unvoted debt. The School District has no unvoted debt.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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**Current Financial Related Activities**

Berea City School District shares the same issues each school district in Ohio faces. As the preceding information shows, the School District heavily depends on its property taxpayers.

The Berea City School District passed a 5.25 mill levy in May 2006. This levy will stabilize the District's finances for the next few years. Management will continue to monitor the financial plan for continuance of our programming.

Declining tax collections further challenges this plan. HB66 has put a short stay on the personal property tax base. This decline due to decreasing personal property business taxes mean 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.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*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 eighth 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).



Jocelyn N./5<sup>th</sup> Grade  
Brookpark Memorial Elementary School  
Art Instructor: Debra Hudson



**Berea City School District**  
*Statement of Net Assets*  
June 30, 2006

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$12,323,895	\$679,285	\$13,003,180
Accounts Receivable	133,096	8,314	141,410
Intergovernmental Receivable	3,609,478	88,522	3,698,000
Prepaid Items	5,852	0	5,852
Inventory Held for Resale	0	30,018	30,018
Materials and Supplies			
Inventory	164,135	15,143	179,278
Taxes Receivable	66,053,125	0	66,053,125
Deferred Charges	145,839	0	145,839
Nondepreciable Capital Assets	918,217	0	918,217
Depreciable Capital Assets, Net	13,729,890	20,171	13,750,061
<i>Total Assets</i>	<u>97,083,527</u>	<u>841,453</u>	<u>97,924,980</u>
<b>Liabilities</b>			
Accounts Payable	658,696	16,982	675,678
Contracts Payable	229,226	0	229,226
Accrued Wages	4,575,036	75,275	4,650,311
Matured Compensated Absences Payable	722,942	0	722,942
Retainage Payable	17,807	0	17,807
Intergovernmental Payable	2,515,829	130,189	2,646,018
Deferred Revenue	57,617,073	0	57,617,073
Accrued Interest Payable	39,248	0	39,248
Claims Payable	1,330,595	0	1,330,595
Early Retirement Incentive Payable	397,178	8,750	405,928
Long-Term Liabilities:			
Due Within One Year	1,342,025	16,480	1,358,505
Due Within More Than One Year	14,375,259	75,950	14,451,209
<i>Total Liabilities</i>	<u>83,820,914</u>	<u>323,626</u>	<u>84,144,540</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	3,701,144	20,171	3,721,315
Restricted for:			
Capital Projects	1,670,088	0	1,670,088
Debt Service	2,314,486	0	2,314,486
Set Asides	560,923	0	560,923
Public School Support	202,996	0	202,996
District Managed Student Activity	248,105	0	248,105
Locally Funded Programs	91,301	0	91,301
State Funded Programs	196,609	0	196,609
Federal Funded Programs	662,342	0	662,342
Unclaimed Monies	10,034	0	10,034
Unrestricted	3,604,585	497,656	4,102,241
<i>Total Net Assets</i>	<u>\$13,262,613</u>	<u>\$517,827</u>	<u>\$13,780,440</u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2006

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Instruction:				
Regular	\$32,284,893	\$1,072,524	\$504,831	\$0
Special	7,795,494	981,742	1,062,813	0
Vocational	563,609	0	256	0
Support Services:				
Pupil	4,547,564	3,932	811,492	0
Instructional Staff	5,429,933	99,938	557,318	0
Board of Education	22,615	0	0	0
Administration	4,329,086	0	64,946	0
Fiscal	1,738,649	0	0	0
Business	839,427	154,221	0	0
Operation and Maintenance of Plant	8,023,138	33,385	1,636	0
Pupil Transportation	3,809,097	54,438	8,914	0
Central	2,500,369	0	25,858	39,000
Operation of Non-Instructional Services	823,221	0	832,346	0
Extracurricular Activities	1,249,592	435,997	37,542	0
Interest and Fiscal Charges	491,733	0	0	0
<i>Total Governmental Activities</i>	<u>74,448,420</u>	<u>2,836,177</u>	<u>3,907,952</u>	<u>39,000</u>
<b>Business-Type Activities</b>				
Food Service	2,021,615	1,416,408	617,347	0
Uniform School Supplies	55,972	52,647	0	0
Adult and Community Education	1,197,969	1,143,813	0	0
<i>Total Business-Type Activities</i>	<u>3,275,556</u>	<u>2,612,868</u>	<u>617,347</u>	<u>0</u>
<i>Totals</i>	<u><u>\$77,723,976</u></u>	<u><u>\$5,449,045</u></u>	<u><u>\$4,525,299</u></u>	<u><u>\$39,000</u></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 - Restated (Note 3)*

*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
(\$30,707,538)	\$0	(\$30,707,538)
(5,750,939)	0	(5,750,939)
(563,353)	0	(563,353)
(3,732,140)	0	(3,732,140)
(4,772,677)	0	(4,772,677)
(22,615)	0	(22,615)
(4,264,140)	0	(4,264,140)
(1,738,649)	0	(1,738,649)
(685,206)	0	(685,206)
(7,988,117)	0	(7,988,117)
(3,745,745)	0	(3,745,745)
(2,435,511)	0	(2,435,511)
9,125	0	9,125
(776,053)	0	(776,053)
(491,733)	0	(491,733)
0	12,140	12,140
0	(3,325)	(3,325)
0	(54,156)	(54,156)
0	(45,341)	(45,341)
(67,665,291)	(45,341)	(67,710,632)
53,447,973	0	53,447,973
1,191,290	0	1,191,290
1,610,840	0	1,610,840
15,490,950	0	15,490,950
744,402	16,636	761,038
165,695	7,963	173,658
72,651,150	24,599	72,675,749
4,985,859	(20,742)	4,965,117
8,276,754	538,569	8,815,323
<u>\$13,262,613</u>	<u>\$517,827</u>	<u>\$13,780,440</u>

**Berea City School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2006*

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$4,249,846	\$2,178,910	\$1,701,993	\$1,352,754	\$9,483,503
Cash and Cash Equivalents					
With Escrow Agents	0	0	0	0	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	560,923	0	0	0	560,923
Accrued Interest Receivable	0	0	0	0	0
Accounts Receivable	130,696	0	0	0	130,696
Intergovernmental Receivable	3,005,681	0	0	603,797	3,609,478
Prepaid Items	5,852	0	0	0	5,852
Interfund Receivable	160,840	0	0	0	160,840
Materials and Supplies Inventory	164,135	0	0	0	164,135
Taxes Receivable	63,033,208	1,271,756	1,748,161	0	66,053,125
<i>Total Assets</i>	<u>\$71,311,181</u>	<u>\$3,450,666</u>	<u>\$3,450,154</u>	<u>\$1,956,551</u>	<u>\$80,168,552</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$407,929	\$0	\$53,667	\$197,100	\$658,696
Contracts Payable	0	0	229,226	0	229,226
Accrued Wages	4,463,976	0	0	111,060	4,575,036
Matured Compensated Absences Payable	722,942	0	0	0	722,942
Retainage Payable	0	0	17,807	0	17,807
Interfund Payable	0	0	0	160,840	160,840
Intergovernmental Payable	2,439,382	0	0	76,447	2,515,829
Deferred Revenue	59,522,355	1,129,280	1,575,724	603,797	62,831,156
Early Retirement Incentive Payable	397,178	0	0	0	397,178
<i>Total Liabilities</i>	<u>67,953,762</u>	<u>1,129,280</u>	<u>1,876,424</u>	<u>1,149,244</u>	<u>72,108,710</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	391,718	0	517,353	180,263	1,089,334
Reserved for Capital Acquisition	276,868	0	0	0	276,868
Reserved for Textbooks	284,055	0	0	0	284,055
Reserved for Unclaimed Monies	10,034	0	0	0	10,034
Reserved for Property Taxes	4,880,812	129,907	144,342	0	5,155,061
Unreserved, Undesignated, Reported in:					
General Fund (Deficit)	(2,486,068)	0	0	0	(2,486,068)
Special Revenue Funds	0	0	0	617,293	617,293
Debt Service Fund	0	2,191,479	0	0	2,191,479
Capital Projects Funds	0	0	912,035	9,751	921,786
<i>Total Fund Balances</i>	<u>3,357,419</u>	<u>2,321,386</u>	<u>1,573,730</u>	<u>807,307</u>	<u>8,059,842</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$71,311,181</u>	<u>\$3,450,666</u>	<u>\$3,450,154</u>	<u>\$1,956,551</u>	<u>\$80,168,552</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, 2006*

<b>Total Governmental Fund Balances:</b>		\$8,059,842
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		14,648,107
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	3,135,507	
Intergovernmental	603,797	
Tuition and Fees	1,471,925	
Rental	2,854	
Total		5,214,083
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.		951,274
Bond issuance costs will be amortized over the life of the bonds on the statement on net assets.		145,839
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.		(39,248)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(10,990,000)	
Premium on Bonds	(35,956)	
Gain on Refunding	(102,802)	
Compensated Absences	(4,588,526)	
Total		(15,717,284)
<i>Net Assets of Governmental Activities</i>		<b>\$13,262,613</b>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2006*

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$53,569,193	\$1,197,545	\$1,614,339	\$0	\$56,381,077
Intergovernmental	15,242,945	126,713	140,269	3,413,976	18,923,903
Interest	738,107	0	0	6,295	744,402
Tuition and Fees	2,048,237	0	0	0	2,048,237
Extracurricular Activities	0	0	0	604,987	604,987
Rentals	39,664	0	0	0	39,664
Charges for Services	24,470	0	0	0	24,470
Contributions and Donations	7,309	0	0	157,084	164,393
Miscellaneous	88,559	0	0	77,136	165,695
<i>Total Revenues</i>	<u>71,758,484</u>	<u>1,324,258</u>	<u>1,754,608</u>	<u>4,259,478</u>	<u>79,096,828</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	30,398,661	0	0	530,843	30,929,504
Special	6,934,846	0	0	888,931	7,823,777
Vocational	580,717	0	0	268	580,985
Support Services:					
Pupil	3,860,341	0	0	711,486	4,571,827
Instructional Staff	4,894,164	0	0	622,815	5,516,979
Board of Education	22,615	0	0	0	22,615
Administration	4,223,510	0	0	58,974	4,282,484
Fiscal	1,741,670	0	0	0	1,741,670
Business	863,465	0	0	0	863,465
Operation and Maintenance of Plant	8,039,376	0	0	3,147	8,042,523
Pupil Transportation	3,534,287	0	0	38,177	3,572,464
Central	2,433,644	0	0	32,599	2,466,243
Operation of Non-Instructional Services	20,452	0	0	825,152	845,604
Extracurricular Activities	938,027	0	0	399,067	1,337,094
Capital Outlay	0	0	1,908,538	39,000	1,947,538
Debt Service:					
Principal Retirement	0	620,000	90,000	0	710,000
Interest and Fiscal Charges	0	427,382	65,364	0	492,746
Bond Issuance Cost	0	0	22,328	0	22,328
<i>Total Expenditures</i>	<u>68,485,775</u>	<u>1,047,382</u>	<u>2,086,230</u>	<u>4,150,459</u>	<u>75,769,846</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,272,709</u>	<u>276,876</u>	<u>(331,622)</u>	<u>109,019</u>	<u>3,326,982</u>
<b>Other Financing Sources</b>					
General Obligation Bonds Issued	0	0	650,000	0	650,000
Premium on General Obligation Bonds	0	0	14,627	0	14,627
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>664,627</u>	<u>0</u>	<u>664,627</u>
<i>Net Change in Fund Balances</i>	3,272,709	276,876	333,005	109,019	3,991,609
<i>Fund Balances Beginning of Year</i>	84,710	2,044,510	1,240,725	698,288	4,068,233
<i>Fund Balances End of Year</i>	<u>\$3,357,419</u>	<u>\$2,321,386</u>	<u>\$1,573,730</u>	<u>\$807,307</u>	<u>\$8,059,842</u>

See accompanying notes to the basic financial statements

**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, 2006*

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**Net Change in Fund Balances - Total Governmental Funds** \$3,991,609

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

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

Capital Asset Additions	729,601	
Current Year Depreciation	(1,326,648)	
Total		(597,047)

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

Taxes	(130,974)	
Accounts	232,964	
Intergovernmental	349,606	
Total		451,596

Other financing sources in the governmental funds increased long-term liabilities in the statement of net assets. Governmental funds report the effect of premiums when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities

Bonds Issued	(650,000)	
Premium on Bonds	(14,627)	
Total		(664,627)

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

710,000

Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.

22,328

In the statement of activities, interest is accrued on outstanding bonds, and bond issuance costs, bond premium, and gain on refunding are amortized over the life of the bonds. In governmental funds an interest expenditure is reported when due

Accrued Interest	1,633	
Amortization of Bond Premium	4,396	
Amortization of Bond Issuance Costs	(13,764)	
Amortization of Gain on Refunding	8,748	
Total		1,013

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

Compensated Absences Payable	(228,813)	
Total		(228,813)

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

1,299,800

*Change in Net Assets of Governmental Activities*

\$4,985,859

See accompanying notes to the basic financial statements

**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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$54,567,116	\$55,163,138	\$55,965,193	\$802,055
Intergovernmental	13,549,313	13,697,308	13,697,308	0
Interest	673,113	680,465	741,806	61,341
Tuition and Fees	2,056,436	2,080,289	2,084,409	4,120
Rentals	33,777	34,146	34,621	475
Charges for Services	24,206	24,470	24,470	0
Contributions and Donations	7,230	7,309	7,309	0
Miscellaneous	56,696	58,085	111,419	53,334
<i>Total Revenues</i>	<u>70,967,887</u>	<u>71,745,210</u>	<u>72,666,535</u>	<u>921,325</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	31,012,773	31,315,611	31,176,921	138,690
Special	6,929,331	7,022,572	6,955,361	67,211
Vocational	666,342	675,410	623,573	51,837
Support Services:				
Pupil	3,911,176	3,907,840	3,899,616	8,224
Instructional Staff	5,265,574	5,278,609	5,103,272	175,337
Board of Education	23,939	24,017	22,869	1,148
Administration	4,332,605	4,370,777	4,256,976	113,801
Fiscal	1,748,459	1,761,171	1,752,610	8,561
Business	952,226	883,350	849,440	33,910
Operation and Maintenance of Plant	8,736,380	8,307,874	8,286,836	21,038
Pupil Transportation	3,654,782	3,652,332	3,583,686	68,646
Central	2,921,039	2,925,242	2,866,314	58,928
Operation of Non-Instructional Services	20,177	20,452	20,452	0
Extracurricular Activities	939,984	952,776	946,617	6,159
<i>Total Expenditures</i>	<u>71,114,787</u>	<u>71,098,033</u>	<u>70,344,543</u>	<u>753,490</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$146,900)</u>	<u>\$647,177</u>	<u>\$2,321,992</u>	<u>\$1,674,815</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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Advances In	\$107,125	\$108,295	\$108,295	\$0
Advances Out	(158,680)	(160,840)	(160,840)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(51,555)</u>	<u>(52,545)</u>	<u>(52,545)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(198,455)	594,632	2,269,447	1,674,815
<i>Fund Balance Beginning of Year</i>	1,000,573	1,000,573	1,000,573	0
Prior Year Encumbrances Appropriated	<u>974,061</u>	<u>974,061</u>	<u>974,061</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,776,179</u></u>	<u><u>\$2,569,266</u></u>	<u><u>\$4,244,081</u></u>	<u><u>\$1,674,815</u></u>

See accompanying notes to the basic financial statements.

**Berea City School District**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*June 30, 2006*

	Business-Type Activities - Non-major Enterprise Funds	Governmental Activity - Internal Service Fund
<b>Assets</b>		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$679,285	\$2,279,469
Accounts Receivable	8,314	2,400
Intergovernmental Receivable	88,522	0
Inventory Held for Resale	30,018	0
Materials and Supplies Inventory	15,143	0
<i>Total Current Assets</i>	821,282	2,281,869
Depreciable Capital Assets, Net	20,171	0
<i>Total Assets</i>	841,453	2,281,869
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	16,982	0
Accrued Wages	75,275	0
Intergovernmental Payable	130,189	0
Compensated Absences Payable	16,480	0
Early Retirement Incentive Payable	8,750	0
Claims Payable	0	1,330,595
<i>Total Current Liabilities</i>	247,676	2,630,395
		1,299,800
Long-Term Liabilities:		
Compensated Absences Payable	75,950	0
<i>Total Liabilities</i>	323,626	(348,526)
<b>Net Assets</b>		
Invested in Capital Assets	20,171	951,274
Unrestricted	497,656	0
<i>Total Net Assets</i>	\$517,827	\$951,274

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, 2006*

	Business-Type Activities - Non-major Enterprise Funds	Governmental Activity - Internal Service Fund
<b>Operating Revenues</b>		
Tuition	\$1,143,813	\$0
Sales	1,469,055	0
Charges for Services	0	9,431,997
Miscellaneous	7,963	0
<i>Total Operating Revenues</i>	<u>2,620,831</u>	<u>9,431,997</u>
<b>Operating Expenses</b>		
Salaries	1,509,681	0
Fringe Benefits	687,525	0
Purchased Services	174,753	853,818
Materials and Supplies	38,947	0
Cost of Sales	837,216	0
Depreciation	17,507	0
Claims	0	7,278,379
Other	9,927	0
<i>Total Operating Expenses</i>	<u>3,275,556</u>	<u>8,132,197</u>
<i>Operating Income (Loss)</i>	<u>(654,725)</u>	<u>1,299,800</u>
<b>Non-Operating Revenues</b>		
Donated Commodities	17,697	0
Operating Grants	599,650	0
Interest	16,636	0
<i>Total Non-Operating Revenues</i>	<u>633,983</u>	<u>0</u>
<i>Change in Net Assets</i>	(20,742)	1,299,800
<i>Net Assets (Deficit) Beginning of Year - Restated ( See Note 3)</i>	<u>538,569</u>	<u>(348,526)</u>
<i>Net Assets End of Year</i>	<u><u>\$517,827</u></u>	<u><u>\$951,274</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Fiscal Year Ended June 30, 2006

	Business-Type Activities - Non-major Enterprise Funds	Governmental Activity - Internal Service Fund
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$2,613,054	\$0
Cash Received from Interfund Services	0	9,433,219
Cash Payments to Employees for Services	(1,493,749)	0
Cash Payments for Employee Benefits	(713,125)	0
Cash Payments for Goods and Services	(1,040,728)	(853,818)
Cash Payments for Claims	0	(7,213,830)
Other Cash Payments	(9,927)	0
<i>Net Cash Provided by (Used In) Operating Activities</i>	(644,475)	1,365,571
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating Grants Received	587,834	0
<b>Cash Flows from Investing Activities</b>		
Interest on Investments	16,636	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(40,005)	1,365,571
<i>Cash and Cash Equivalents Beginning of Year</i>	719,290	913,898
<i>Cash and Cash Equivalents End of Year</i>	\$679,285	\$2,279,469

(continued)

**Berea City School District**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Fiscal Year Ended June 30, 2006*

	Business-Type Activities - Non-major Enterprise Funds	Governmental Activity - Internal Service Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
Operating Income (Loss)	(\$654,725)	\$1,299,800
Adjustments:		
Depreciation	17,507	0
Donated Commodities Received During Year	17,697	0
(Increase) Decrease in Assets:		
Accounts Receivable	(8,314)	1,222
Intergovernmental Receivable	537	0
Inventory Held for Resale	7,051	0
Materials and Supplies Inventory	3,224	0
Increase (Decrease) in Liabilities:		
Accounts Payable	(21,101)	0
Accrued Wages	13,379	0
Compensated Absences Payable	(1,997)	0
Early Retirement Incentive Payable	4,550	0
Intergovernmental Payable	(22,283)	0
Claims Payable	0	64,549
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(\$644,475)</u>	<u>\$1,365,571</u>

Non Cash Non Capital Financing Activities:  
 Federal Donated Commodities in the amount of \$17,697 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, 2006*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalent:	\$13,647	\$171,014
<b>Liabilities</b>		
Undistributed Monies	0	\$27,655
Due to Students	0	143,359
<i>Total Liabilities</i>	0	\$171,014
<b>Net Assets</b>		
Held in Trust for Scholarships	13,647	
<i>Total Net Assets</i>	\$13,647	

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, 2006*

	<u>Scholarship</u>
<b>Additions</b>	
Interest	\$515
<b>Deductions</b>	
Scholarships Awarded	0
<i>Change in Net Assets</i>	515
<i>Net Assets Beginning of Year</i>	13,132
<i>Net Assets End of Year</i>	<u>\$13,647</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, 2006*

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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 461 classified employees, 535 certificated full-time personnel, and 47 administrators who provide services to 7,526 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, 2006*

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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 18 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 unless those pronouncements conflict with or contradict GASB pronouncements. The School District has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise 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 funds.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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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 and business-type 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, 2006, but which were levied to finance fiscal year 2007 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*  
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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 2006, investments were limited to overnight Repurchase Agreements, Federal National Mortgage Association Bonds, 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 2006. 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, 2006.

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 2006 amounted to \$738,107, which includes \$277,806 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 externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund include amounts required by State statute to be set aside for textbooks and instructional materials as well as capital acquisition and improvements. See Note 19 for additional information regarding set-asides.

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2006, 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*  
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**G. Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expensed/expended when used.

Inventories consist of donated food, purchased food and 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**

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter.

**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 enterprise 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. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five 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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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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, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the governmental 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, capital acquisitions, 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 and capital acquisitions represents money required to be set-aside by state statute for the purchase of textbooks, instructional materials and capital purchases and improvements.

**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.

The government-wide statement of net assets reports \$5,956,884 of restricted net assets, none of which is restricted by enabling legislation.

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, 2006*

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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 function level in the general fund and the fund level for all other funds. The Treasurer has been given the authority to allocate appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue, are identified by the School District Treasurer. The amounts reported as the original 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 – Restatement of Net Assets**

For fiscal year 2005, the School District overstated compensated absences. This adjustment increased net assets in governmental activities at July 1, 2005 by \$1,557,005, from \$6,719,749, to \$8,276,754. In the business-type activities this adjustment at July 1, 2005 increased net assets by \$117,749, from \$420,820, to \$538,569.

**Note 4 –Legal Compliance and Accountability**

***A. Legal Compliance.***

Contrary to 5705.39, Ohio Revised Code, the title VI-B, title IIA, title III and network connectivity funds had original appropriations in excess of original estimated revenues and carryover balance of \$89,010, \$8,154, \$8,496 and \$33,612, respectively. Contrary to 5705.39, Ohio Revised Code, the title VI-B fund had final appropriations in excess of final estimated revenues and carryover balances by \$96. Although two of these budgetary violations were not corrected by year-end, management has indicated that appropriations will be closely monitored to ensure no future violations.

Contrary to 5075.10, Ohio Revised code, the Title VIB fund had a negative fund balance of \$96.

***B. Accountability***

The following fund had deficit fund balances/net assets at June 30, 2006:

<b>Special Revenue Funds</b>	
Title VI-B	\$43,131
Title IIA	6,141

The deficits in the special revenue funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.



**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**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).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

Net Change in Fund Balance	
GAAP Basis	\$3,272,709
Net Adjustment for Revenue Accruals	912,691
Advances In	108,295
Beginning Fair Value Adjustment for Investments	(4,640)
Net Adjustment for Expenditure Accruals	(1,292,080)
Advances Out	(160,840)
Adjustment for Encumbrances	<u>(566,688)</u>
Budget Basis	<u><u>\$2,269,447</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.

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*Notes to the Basic Financial Statements*  
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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 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, 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 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 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 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2005. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. 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 2006 tangible personal property tax settlement was not received until July 2006.

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, 2006, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2006 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax and the amount of real property taxes available as an advance at June 30 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, 2006 was \$4,880,812 in the general fund, \$129,907 in the debt service fund and \$144,342 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2005, was \$7,162,383 in the general fund, \$172,163 in the debt service fund and \$208,062 in the permanent improvement capital projects fund.

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

The assessed values upon which the fiscal year 2006 taxes were collected are:

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	2005 Second- Half Collections		2006 First- Half Collections	
Agricultural/Residential and Other Real Estate	\$1,314,175,720	85.04 %	\$1,329,469,580	85.17 %
Public Utility Personal	38,663,990	2.50	34,603,350	2.22
Tangible Personal Property	192,551,284	12.46	196,962,702	12.61
Total	\$1,545,390,994	100.00 %	\$1,561,035,632	100.00 %
Original Tax Rate per \$1,000 of Assessed Valuation	\$69.80		\$69.70	

**Note 7- Deposits and Investments**

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAROhio);
8. Commercial paper and bankers acceptances if training requirements have been met.

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

**Deposits**

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$9,990,782 of the School District's bank balance of \$10,390,782 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

**Investments**

Investments are reported at fair value. As of June 30, 2006, the School District had the following investments:

	Fair Value	Maturity
Repurchase Agreements	\$2,828,000	1 day
STAROhio	501,993	average 33 days
Total	\$3,329,993	

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

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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

**Concentration of Credit Risk** The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2006:

Investment	Percentage of Investments
Repurchase Agreements	84.93%
STAROhio	15.07%

**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	Balance 6/30/05	Additions	Deductions	Balance 6/30/06
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$918,217	\$0	\$0	\$918,217
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	2,468,075	57,226	0	2,525,301
Buildings and Improvements	43,023,024	13,155	0	43,036,179
Furniture and Equipment	2,420,081	43,112	0	2,463,193
Vehicles	3,841,188	616,108	(500,497)	3,956,799
<i>Total Capital Assets, Being Depreciated</i>	51,752,368	729,601	(500,497)	51,981,472
Less Accumulated Depreciation:				
Land Improvements	(1,087,499)	(84,177)	0	(1,171,676)
Buildings and Improvements	(31,911,458)	(810,918)	0	(32,722,376)
Furniture and Equipment	(1,600,686)	(156,952)	0	(1,757,638)
Vehicles	(2,825,788)	(274,601)	500,497	(2,599,892)
<i>Total Accumulated Depreciation</i>	(37,425,431)	(1,326,648)	500,497	(38,251,582)
Total Capital Assets, Being Depreciated, Net	14,326,937	(597,047)	0	13,729,890
Governmental Activities Capital Assets, Net	\$15,245,154	(\$597,047)	\$0	\$14,648,107
<b>Business-Type Activities</b>				
Furniture and Equipment	\$355,892	\$0	\$0	\$355,892
Less Accumulated Depreciation	(318,214)	(17,507)	0	(335,721)
Business-Type Activities Capital Assets, Net	\$37,678	(\$17,507)	\$0	\$20,171

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$414,346
Special	106,966
Vocational	6,886
Support Services:	
Pupil	37,882
Instructional Staff	201,985
Administration	86,058
Fiscal	7,915
Business	3,130
Operation of Maintenance and Plant	111,107
Pupil Transportation	324,273
Central	22,954
Operation of Non-Instructional Services	2,087
Extracurricular Activities	1,059
	<u>1,059</u>
Total Depreciation Expense	<u>\$1,326,648</u>

Depreciation expense was charged to the food service business-type activity fund in the amount of \$17,507.

**Note 9 - Interfund Balances**

The interfund balances between the general fund and the Title VI-B special revenue fund of \$160,840 were due to the timing of the receipt of grant monies. These will be repaid within one year.

**Note 10 – Receivables**

Receivables at June 30, 2006, consisted of taxes, accounts (rent and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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A summary of the principal items of intergovernmental receivables follows:

	Amounts
<b>Governmental Activities</b>	
Personal Property Tax Loss	\$1,545,637
Tuition and Fees	1,423,740
Miscellaneous	36,304
Title I	136,572
Title IIA	35,910
Technology IID	3,216
Title III	12,189
Title VI-B	386,515
Preschool	22,106
Autism	7,289
<i>Total Governmental Activities</i>	<i>3,609,478</i>
<b>Business-Type Activities</b>	
Food Service	88,522
<i>Total Business-Type Activities</i>	<i>88,522</i>
<i>Total</i>	<i>\$3,698,000</i>

**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 2006, 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 Ohio Schools' Council 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 \$1,000,000 with a \$10,000,000 umbrella, \$50,000 uninsured/underinsured motorist, and \$5,000 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, 2006*

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***B. Workers' Compensation***

For fiscal year 2006 the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). 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. 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 2006. Medical Mutual of Ohio provides claim review and processing for the medical insurance program as well.

The claims liability at June 30, 2006 estimated by the third party administrator to be \$1,330,595, 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 years 2006 and 2005 were:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2005	\$1,328,920	7,168,099	7,230,973	\$1,266,046
2006	1,266,046	7,278,379	7,213,830	1,330,595

**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, by calling (800) 878-5853 or by visiting the SERS website at ohsers.org.



**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006 10.58 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, 2006, 2005 and 2004 were \$1,332,270, \$1,398,193, and \$1,370,354 respectively; 52.47 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004.

***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, by calling (614) 227-4090, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

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 divided by 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, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2006, 2005 and 2004 were \$4,365,329, \$4,477,300, and \$4,443,072 respectively; 81.41 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$47,909 made by the School District and \$78,934 made by the plan members.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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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, 2006 all five members of the Board of Education have elected School Employees Retirement.

**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-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District this amount equaled \$335,795 for fiscal year 2006.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and STRS had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

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, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. 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 2006, the minimum pay was at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$631,843.

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 projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available), were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive 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*  
*For the Fiscal Year Ended June 30, 2006*

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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. Early Retirement Incentive Payable***

The School District offered certified employees participation in an Early Retirement Incentive program. Participation was open for these employees between December 13, 2005 through January 28, 2005. A total of 19 certified employees elected to retire under this plan. The effective date for retirement was June 30, 2005, 2006 and 2007. Each person who participates in this program receives a stipend each month for 24 months based upon years of service with the School District, ranging from \$500 to \$800 per month.

The School District offered administrative employees participation in an Early Retirement Incentive program. Participation was open for these employees between November 7, 2005 through December 16, 2005. One administrative employee elected to retire under this plan. The effective date for retirement was June 30, 2006 or July 31, 2006. Each person who participates in this program will be paid an additional 40 days at their per diem rate and will receive no less than \$8,000 and no more than \$16,000. Payments for this incentive will be made in two installments, with the first payment made in the February following the year of retirement, and the second to be paid the February following the first payment.

The classified employees were offered participation in an Early Retirement Incentive program also. Participation was open for these employees between March 8, 2006 through March 13, 2006. The final date for retirement is June 30, 2006. A total of 3 classified employees elected to retire under this plan. Each person is eligible to receive \$350 for each full year of continuous service credit to the School District. One half of the payment will be made February 16, 2007 and the second payment will be made on August 16, 2007.

The School District recorded an "Early Retirement Incentive Payable" liability for the amounts owed to these employees at June 30, 2006.

***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, 2006.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2006

**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.

**Note 16 – Contractual Commitments**

At June 30, 2006 the School District had \$693,794 in contractual commitments for various improvements within the School District.

**Note 17 – Long – Term Liabilities**

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

	Principal Outstanding 6/30/05	Additions	Reductions	Principal Outstanding 6/30/06	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
1993 School Improvement	\$890,000	\$0	\$620,000	\$270,000	\$270,000
2003 School Improvement Refunding	9,205,000	0	0	9,205,000	455,000
Deferred Amount on Refunding	111,550	0	8,748	102,802	0
2005 Bus Acquisition Bonds	625,000	0	60,000	565,000	60,000
2005 Energy Conservation Bonds	330,000	0	30,000	300,000	30,000
Premium on Bonds	25,725	0	3,216	22,509	0
2006 Bus Acquisition Bonds	0	600,000	0	600,000	45,000
2006 Motor Vehicle Acquisition Bonds	0	50,000	0	50,000	10,000
Premium on Bonds	0	14,627	1,180	13,447	0
Total General Obligation Bonds	11,187,275	664,627	723,144	11,128,758	870,000
Compensated Absences	4,359,713	468,260	239,447	4,588,526	472,025
Total Governmental Activities					
Long-Term Liabilities	<u>\$15,546,988</u>	<u>\$1,132,887</u>	<u>\$962,591</u>	<u>\$15,717,284</u>	<u>\$1,342,025</u>
<b>Business-Type Activities</b>					
Compensated Absences	<u>\$94,427</u>	<u>\$10,170</u>	<u>\$12,167</u>	<u>\$92,430</u>	<u>\$16,480</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.

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 the maturity of the old debt or the new debt, whichever is shorter using the straight-line method.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

On July 1, 2004, the School District issued \$995,000, 2.9 to 5.0 percent general obligation bonds. These bonds were issued for purchasing buses and for energy conservation improvements. The bonds were issued at a premium of \$28,941. This premium is amortized over nine years using the straight-line method.

On August 30, 2005, the School District issued \$650,000, 4.0 to 5.0 percent general obligation bonds. These bonds were issued for purchasing buses and motor vehicles. These bonds were issued at a premium of \$14,627. This premium is amortized over ten years using the straight-line method.

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

At June 30, 2006 the School District's overall legal debt margin was \$112,906,510 with an unvoted debt margin of \$1,350,835. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2006 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Total
	Principal	Interest	
2007	\$870,000	\$453,795	\$1,323,795
2008	885,000	423,784	1,308,784
2009	875,000	397,029	1,272,029
2010	890,000	367,891	1,257,891
2011	920,000	332,129	1,252,129
2012-2015	3,785,000	874,459	4,659,459
2016-2018	2,765,000	196,750	2,961,750
Total	\$10,990,000	\$3,045,837	\$14,035,837

**Note 18 - 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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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 2006 the School District paid \$6,810 to the Council. Financial information can be obtained by contacting David Cottrell, the Executive Directive/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.

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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**Note 19 - 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
	<u>                    </u>	<u>                    </u>
Set Aside Reserve Balance as of June 30, 2005	\$0	\$74,709
Current year set-aside requirement	1,095,951	1,095,951
Qualifying Disbursements	<u>(819,083)</u>	<u>(886,605)</u>
Total	<u>\$276,868</u>	<u>\$284,055</u>
Set-aside Reserve Balance as of June 30, 2006	<u><u>\$276,868</u></u>	<u><u>\$284,055</u></u>

**Note 20 – Subsequent Event**

In December, 2006 the School District received \$12.3 million from a personal property tax settlement.



Hannah T./2<sup>nd</sup> Grade  
Smith Elementary School  
Art Instructor: Denise Krock



**Berea City School District**

**Combining Statements and Individual Fund Schedules**

## **Berea City School District**

### ***Fund Descriptions– Nonmajor Governmental Funds***

#### ***Nonmajor Special Revenue Funds***

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes. Following is a description of the School District's non-major 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.

**Autism Grant Fund** This fund accounts for federal monies used for providing highly qualified teachers who will provide direct services to three, four and five year old children with disabilities.

(continued)

## Berea City School District

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

**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 District's reading programs.

**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  
School Professional Development Fund  
Technology IID Fund  
Parent Mentor Grant Fund  
School Improvement Grant Fund  
Safe School Helpline Fund  
Teacher Advancement Program Fund  
Telecommunity Grant Fund  
Title IIA Fund  
Reading Intervention Grant Fund  
Poverty Based Assistance Grant Fund  
Title III Fund  
Hurricane Relief Act Grant 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.



Claire G./8<sup>th</sup> Grade  
Ford Middle School  
Art Instructor: Anne Cole

**Berea City School District**  
*Combining Balance Sheet*  
**Nonmajor Governmental Funds**  
*June 30, 2006*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent:	\$1,343,003	\$9,751	\$1,352,754
Intergovernmental Receivable	603,797	0	603,797
<i>Total Assets</i>	<u>\$1,946,800</u>	<u>\$9,751</u>	<u>\$1,956,551</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$197,100	\$0	\$197,100
Accrued Wages	111,060	0	111,060
Interfund Payable	160,840	0	160,840
Intergovernmental Payable	76,447	0	76,447
Deferred Revenue	603,797	0	603,797
<i>Total Liabilities</i>	<u>1,149,244</u>	<u>0</u>	<u>1,149,244</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	180,263	0	180,263
Unreserved, Undesignated, Reported in			
Special Revenue Funds	617,293	0	617,293
Capital Projects Funds	0	9,751	9,751
<i>Total Fund Balances</i>	<u>797,556</u>	<u>9,751</u>	<u>807,307</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,946,800</u>	<u>\$9,751</u>	<u>\$1,956,551</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, 2006*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$3,374,976	\$39,000	\$3,413,976
Interest	6,295	0	6,295
Extracurricular Activities	604,987	0	604,987
Contributions and Donations	157,084	0	157,084
Miscellaneous	77,136	0	77,136
<i>Total Revenues</i>	<u>4,220,478</u>	<u>39,000</u>	<u>4,259,478</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	530,843	0	530,843
Special	888,931	0	888,931
Vocational	268	0	268
Support Services:			
Pupil	711,486	0	711,486
Instructional Staff	622,815	0	622,815
Administration	58,974	0	58,974
Operation and Maintenance of Plan	3,147	0	3,147
Pupil Transportation	38,177	0	38,177
Central	32,599	0	32,599
Operation of Non-Instructional Services:	825,152	0	825,152
Extracurricular Activities	399,067	0	399,067
Capital Outlay	0	39,000	39,000
<i>Total Expenditures</i>	<u>4,111,459</u>	<u>39,000</u>	<u>4,150,459</u>
<i>Net Change in Fund Balances</i>	109,019	0	109,019
<i>Fund Balances Beginning of Year</i>	<u>688,537</u>	<u>9,751</u>	<u>698,288</u>
<i>Fund Balances End of Year</i>	<u><u>\$797,556</u></u>	<u><u>\$9,751</u></u>	<u><u>\$807,307</u></u>

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2006*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities	Preschool At Risk
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$271,849	\$165,487	\$102,651	\$265,690	\$21,820
Intergovernmental Receivable	386,515	0	136,572	0	0
<i>Total Assets</i>	<u>\$658,364</u>	<u>\$165,487</u>	<u>\$239,223</u>	<u>\$265,690</u>	<u>\$21,820</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$97,967	\$84,717	\$190	\$2,939	\$0
Accrued Wages	9,004	0	56,640	0	12,665
Interfund Payable	160,840	0	0	0	0
Intergovernmental Payable	47,169	0	7,930	14,646	1,772
Deferred Revenue	386,515	0	136,572	0	0
<i>Total Liabilities</i>	<u>701,495</u>	<u>84,717</u>	<u>201,332</u>	<u>17,585</u>	<u>14,437</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	138,374	181	279	5,877	1,695
Unreserved, Undesignated (Deficit)	(181,505)	80,589	37,612	242,228	5,688
<i>Total Fund (Deficit ) Balances</i>	<u>(43,131)</u>	<u>80,770</u>	<u>37,891</u>	<u>248,105</u>	<u>7,383</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$658,364</u>	<u>\$165,487</u>	<u>\$239,223</u>	<u>\$265,690</u>	<u>\$21,820</u>



Public School Support	Local Grants	Preschool	Entry Year Teacher Grant	Autism Grant
\$208,459	\$91,301	\$7,357	\$2,000	\$10,211
0	0	22,106	0	7,289
<u>\$208,459</u>	<u>\$91,301</u>	<u>\$29,463</u>	<u>\$2,000</u>	<u>\$17,500</u>
\$5,118	\$0	\$166	\$0	\$0
0	0	3,168	0	6,063
0	0	0	0	0
345	0	444	0	849
0	0	22,106	0	7,289
<u>5,463</u>	<u>0</u>	<u>25,884</u>	<u>0</u>	<u>14,201</u>
15,621	331	1,393	0	10,115
187,375	90,970	2,186	2,000	(6,816)
<u>202,996</u>	<u>91,301</u>	<u>3,579</u>	<u>2,000</u>	<u>3,299</u>
<u>\$208,459</u>	<u>\$91,301</u>	<u>\$29,463</u>	<u>\$2,000</u>	<u>\$17,500</u>

(continued)

**Berea City School District**  
**Combining Balance Sheet**  
*Nonmajor Special Revenue Funds (continued)*  
 June 30, 2006

	Title V	Drug Free Schools	Ohio Reads	EMIS	Teacher Training and Development
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$10,963	\$5,791	\$7,537	\$18,683	\$305
Intergovernmental Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$10,963</u>	<u>\$5,791</u>	<u>\$7,537</u>	<u>\$18,683</u>	<u>\$305</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$2,486	\$3,517	\$0	\$0	\$0
Accrued Wages	0	0	2,000	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	280	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>2,486</u>	<u>3,517</u>	<u>2,280</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	5,399	508	0	0	0
Unreserved, Undesignated (Deficit)	3,078	1,766	5,257	18,683	305
<i>Total Fund (Deficit )Balances</i>	<u>8,477</u>	<u>2,274</u>	<u>5,257</u>	<u>18,683</u>	<u>305</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,963</u>	<u>\$5,791</u>	<u>\$7,537</u>	<u>\$18,683</u>	<u>\$305</u>

School Professional Development	Technology IID	Parent Mentor Grant	School Improvement Grant	Safe School Helpline
\$842	\$1,239	\$4,448	\$6	\$27
0	3,216	0	0	0
<u>\$842</u>	<u>\$4,455</u>	<u>\$4,448</u>	<u>\$6</u>	<u>\$27</u>
\$0	\$0	\$0	\$0	\$0
0	0	296	0	0
0	0	0	0	0
0	0	41	0	0
0	3,216	0	0	0
<u>0</u>	<u>3,216</u>	<u>337</u>	<u>0</u>	<u>0</u>
0	0	490	0	0
842	1,239	3,621	6	27
<u>842</u>	<u>1,239</u>	<u>4,111</u>	<u>6</u>	<u>27</u>
<u>\$842</u>	<u>\$4,455</u>	<u>\$4,448</u>	<u>\$6</u>	<u>\$27</u>

(continued)

**Berea City School District**  
**Combining Balance Sheet**  
*Nonmajor Special Revenue Funds (continued)*  
June 30, 2006

	Teacher Advancement Program	Telecommunity Grant	Title IIA	Poverty Based Assistance	Title III
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$48,330	\$70,849	\$16,025	\$6,376	\$2,757
Intergovernmental Receivable	0	0	35,910	0	12,189
<i>Total Assets</i>	<u>\$48,330</u>	<u>\$70,849</u>	<u>\$51,935</u>	<u>\$6,376</u>	<u>\$14,946</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages	0	0	19,444	0	1,780
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	2,722	0	249
Deferred Revenue	0	0	35,910	0	12,189
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>58,076</u>	<u>0</u>	<u>14,218</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	0	0	0	0
Unreserved, Undesignated (Deficit)	48,330	70,849	(6,141)	6,376	728
<i>Total Fund (Deficit )Balances</i>	<u>48,330</u>	<u>70,849</u>	<u>(6,141)</u>	<u>6,376</u>	<u>728</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$48,330</u>	<u>\$70,849</u>	<u>\$51,935</u>	<u>\$6,376</u>	<u>\$14,946</u>

Hurricane Relief Grant	Total Nonmajor Special Revenue Funds
\$2,000	\$1,343,003
0	603,797
<u>\$2,000</u>	<u>\$1,946,800</u>

\$0	\$197,100
0	111,060
0	160,840
0	76,447
<u>0</u>	<u>603,797</u>
<u>0</u>	<u>1,149,244</u>

0	180,263
<u>2,000</u>	<u>617,293</u>
<u>2,000</u>	<u>797,556</u>
<u>\$2,000</u>	<u>\$1,946,800</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, 2006*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities	Preschool At Risk
<b>Revenues</b>					
Intergovernmental	\$1,437,216	\$716,644	\$509,455	\$0	\$232,413
Interest	0	4,527	0	0	0
Extracurricular Activities	0	0	0	466,115	0
Contributions and Donations	0	0	0	37,905	0
Miscellaneous	0	0	0	16,939	0
<i>Total Revenues</i>	<u>1,437,216</u>	<u>721,171</u>	<u>509,455</u>	<u>520,959</u>	<u>232,413</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	19,669	0	0	0	142,514
Special	435,004	0	436,079	0	0
Vocational	0	0	0	0	0
Support Services:					
Pupil	663,490	0	0	2,680	14,999
Instructional Staff	265,425	0	18,921	0	54,952
Administration	41,088	0	0	0	17,886
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	5,057	0	0	32,750	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	167,995	630,273	21,846	0	0
Extracurricular Activities	0	0	0	385,326	0
<i>Total Expenditures</i>	<u>1,597,728</u>	<u>630,273</u>	<u>476,846</u>	<u>420,756</u>	<u>230,351</u>
<i>Net Change in Fund Balance</i>	(160,512)	90,898	32,609	100,203	2,062
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>117,381</u>	<u>(10,128)</u>	<u>5,282</u>	<u>147,902</u>	<u>5,321</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$43,131)</u>	<u>\$80,770</u>	<u>\$37,891</u>	<u>\$248,105</u>	<u>\$7,383</u>

Public School Support	Local Grants	Preschool	Entry Year Teacher Grant	Autism Grant
\$0	\$0	\$45,945	\$0	\$25,319
0	1,768	0	0	0
138,872	0	0	0	0
43,022	76,157	0	0	0
60,197	0	0	0	0
242,091	77,925	45,945	0	25,319
42,631	70,475	0	0	0
765	431	0	0	16,652
0	268	0	0	0
1,451	3,235	23,466	0	0
150,387	5,466	13,885	0	12,872
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
13,741	0	0	0	0
208,975	79,875	37,351	0	29,524
33,116	(1,950)	8,594	0	(4,205)
169,880	93,251	(5,015)	2,000	7,504
\$202,996	\$91,301	\$3,579	\$2,000	\$3,299

(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, 2006*

	Title V	Drug Free Schools	Ohio Reads	EMIS	Teacher Training and Development
<b>Revenues</b>					
Intergovernmental	\$35,556	\$12,148	\$10,821	\$25,858	\$0
Interest	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>35,556</u>	<u>12,148</u>	<u>10,821</u>	<u>25,858</u>	<u>0</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	0	4,183	10,212	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	26,021	15,671	0	0	0
Administration	0	0	0	0	0
Operation and Maintenance of Plant	0	3,147	0	0	0
Pupil Transportation	0	370	0	0	0
Central	0	0	0	32,599	0
Operation of Non-Instructional Services	1,377	0	0	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>27,398</u>	<u>23,371</u>	<u>10,212</u>	<u>32,599</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	8,158	(11,223)	609	(6,741)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>319</u>	<u>13,497</u>	<u>4,648</u>	<u>25,424</u>	<u>305</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$8,477</u>	<u>\$2,274</u>	<u>\$5,257</u>	<u>\$18,683</u>	<u>\$305</u>



School Professional Development	Technology IID	Parent Mentor Grant	School Improvement Grant	Safe School Helpline
\$3,925	\$13,132	\$23,361	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
3,925	13,132	23,361	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
3,083	13,634	22,885	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	563	0	0	0
0	0	0	0	0
3,083	14,197	22,885	0	0
842	(1,065)	476	0	0
0	2,304	3,635	6	27
\$842	\$1,239	\$4,111	\$6	\$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, 2006*

	Teacher Advancement Program	Telecommunity Grant	Title IIA	Reading Intervention Grant	Poverty Based Assistance
<b>Revenues</b>					
Intergovernmental	\$92,277	\$0	\$134,052	\$24,896	\$6,376
Interest	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>92,277</u>	<u>0</u>	<u>134,052</u>	<u>24,896</u>	<u>6,376</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	79,282	0	112,472	28,827	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Support Services:					
Pupil	2,165	0	0	0	0
Instructional Staff	0	0	19,613	0	0
Administration	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	2,500	0	598	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>83,947</u>	<u>0</u>	<u>132,683</u>	<u>28,827</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	8,330	0	1,369	(3,931)	6,376
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>40,000</u>	<u>70,849</u>	<u>(7,510)</u>	<u>3,931</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$48,330</u>	<u>\$70,849</u>	<u>(\$6,141)</u>	<u>\$0</u>	<u>\$6,376</u>

Title III	Hurricane Relief Grant	Total Nonmajor Special Revenue Funds
\$23,582	\$2,000	\$3,374,976
0	0	6,295
0	0	604,987
0	0	157,084
0	0	77,136
<u>23,582</u>	<u>\$2,000</u>	<u>4,220,478</u>
20,578	0	530,843
0	0	888,931
0	0	268
0	0	711,486
0	0	622,815
0	0	58,974
0	0	3,147
0	0	38,177
0	0	32,599
0	0	825,152
0	0	399,067
<u>20,578</u>	<u>0</u>	<u>4,111,459</u>
3,004	2,000	109,019
<u>(2,276)</u>	<u>0</u>	<u>688,537</u>
<u>\$728</u>	<u>\$2,000</u>	<u>\$797,556</u>

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2006*

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	Building	School Net	Network Connectivity
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent:	\$5,615	\$1,724	\$12
<b>Fund Balances</b>			
Unreserved, Undesignated	\$5,615	\$1,724	\$12
<i>Total Fund Balances</i>	5,615	1,724	12
<i>Total Liabilities and Fund Balances</i>	\$5,615	\$1,724	\$12

Interactive Video Lab	Total Nonmajor Capital Projects Funds
<u>\$2,400</u>	<u>\$9,751</u>
<u>2,400</u>	<u>9,751</u>
<u>2,400</u>	<u>9,751</u>
<u>\$2,400</u>	<u>\$9,751</u>

**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, 2006*

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	Building	School Net
<b>Revenues</b>		
Intergovernmental	\$0	\$0
<i>Total Revenues</i>	0	0
<b>Expenditures</b>		
Capital Outlay	0	0
<i>Net Change in Fund Balances</i>	0	0
<i>Fund Balances Beginning of Year</i>	5,615	1,724
<i>Fund Balances End of Year</i>	\$5,615	\$1,724

<u>Network Connectivity</u>	<u>Interactive Video Lab</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>\$39,000</u>	<u>\$0</u>	<u>\$39,000</u>
39,000	0	39,000
<u>39,000</u>	<u>0</u>	<u>39,000</u>
0	0	0
<u>12</u>	<u>2,400</u>	<u>9,751</u>
<u>\$12</u>	<u>\$2,400</u>	<u>\$9,751</u>



Dylan P./4<sup>th</sup> Grade  
Big Creek Elementary School  
Art Instructor: Kathy Jadud



*Fund Descriptions– 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.

**Berea City School District**  
*Combining Statement of Fund Net Assets*  
*Nonmajor Enterprise Funds*  
*June 30, 2006*

	Food Service	Uniform School Supplies	Adult and Community Education	Total Nonmajor Enterprise Funds
<b>Assets</b>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$355,012	\$33,189	\$291,084	\$679,285
Accounts Receivable	1,015	0	7,299	8,314
Intergovernmental Receivable	88,522	0	0	88,522
Inventory Held for Resale	26,862	3,156	0	30,018
Materials and Supplies Inventory	15,143	0	0	15,143
<i>Total Current Assets</i>	486,554	36,345	298,383	821,282
Depreciable Capital Assets, Net	20,171	0	0	20,171
<i>Total Assets</i>	506,725	36,345	298,383	841,453
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	7,980	0	9,002	16,982
Accrued Wages	37,223	0	38,052	75,275
Intergovernmental Payable	74,875	0	55,314	130,189
Compensated Absences Payable	4,365	0	12,115	16,480
Early Retirement Incentive Payable	8,750	0	0	8,750
<i>Total Current Liabilities</i>	133,193	0	114,483	247,676
Long-Term Liabilities:				
Compensated Absences Payable	39,030	0	36,920	75,950
<i>Total Liabilities</i>	172,223	0	151,403	323,626
<b>Net Assets</b>				
Invested in Capital Assets	20,171	0	0	20,171
Unrestricted	314,331	36,345	146,980	497,656
<i>Total Net Assets</i>	\$334,502	\$36,345	\$146,980	\$517,827

**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, 2006*

	Food Service	Uniform School Supplies	Adult and Community Education	Total Nonmajor Enterprise Funds
<b>Operating Revenues</b>				
Tuition	\$0	\$0	\$1,143,813	\$1,143,813
Sales	1,416,408	52,647	0	1,469,055
Miscellaneous	7,963	0	0	7,963
<i>Total Operating Revenues</i>	<u>1,424,371</u>	<u>52,647</u>	<u>1,143,813</u>	<u>2,620,831</u>
<b>Operating Expenses</b>				
Salaries	820,214	0	689,467	1,509,681
Fringe Benefits	350,389	0	337,136	687,525
Purchased Services	30,664	0	144,089	174,753
Materials and Supplies	21,597	0	17,350	38,947
Cost of Sales	781,244	55,972	0	837,216
Depreciation	17,507	0	0	17,507
Other	0	0	9,927	9,927
<i>Total Operating Expenses</i>	<u>2,021,615</u>	<u>55,972</u>	<u>1,197,969</u>	<u>3,275,556</u>
<i>Operating Loss</i>	<u>(597,244)</u>	<u>(3,325)</u>	<u>(54,156)</u>	<u>(654,725)</u>
<b>Non-Operating Revenues</b>				
Donated Commodities	17,697	0	0	17,697
Operating Grants	599,650	0	0	599,650
Interest	16,636	0	0	16,636
<i>Total Non-Operating Revenues</i>	<u>633,983</u>	<u>0</u>	<u>0</u>	<u>633,983</u>
<i>Change in Net Assets</i>	36,739	(3,325)	(54,156)	(20,742)
<i>Net Assets Beginning of Year -Restated</i>	<u>297,763</u>	<u>39,670</u>	<u>201,136</u>	<u>538,569</u>
<i>Net Assets End of Year</i>	<u>\$334,502</u>	<u>\$36,345</u>	<u>\$146,980</u>	<u>\$517,827</u>

**Berea City School District**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2006*

	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	\$1,423,343	\$52,647
Cash Payments to Employees for Services	(795,869)	0
Cash Payments for Employee Benefits	(374,799)	0
Cash Payments for Goods and Services	(830,446)	(51,995)
Other Cash Payments	0	0
<i>Net Cash Provided by (Used in) Operating Activities</i>	(577,771)	652
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating Grants Received	587,834	0
<b>Cash Flows from Investing Activities</b>		
Interest on Investments	16,636	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	26,699	652
<i>Cash and Cash Equivalents Beginning of Year</i>	328,313	32,537
<i>Cash and Cash Equivalents End of Year</i>	\$355,012	\$33,189

Adult and Community Education	Total Nonmajor Enterprise Funds
\$1,137,064	\$2,613,054
(697,880)	(1,493,749)
(338,326)	(713,125)
(158,287)	(1,040,728)
<u>(9,927)</u>	<u>(9,927)</u>
(67,356)	(644,475)
0	587,834
<u>0</u>	<u>16,636</u>
(67,356)	(40,005)
<u>358,440</u>	<u>719,290</u>
<u>\$291,084</u>	<u>\$679,285</u>

(continued)

**Berea City School District**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds (continued)*  
*For the Fiscal Year Ended June 30, 2006*

	Food Service	Uniform School Supplies
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>		
Operating (Loss)	(\$597,244)	(\$3,325)
Adjustments:		
Depreciation	17,507	0
Donated Commodities Received During Year	17,697	0
(Increase) Decrease in Assets:		
Accounts Receivable	(1,015)	0
Intergovernmental Receivable	(13)	0
Inventory Held for Resale	3,074	3,977
Materials and Supplies Inventory	3,224	0
Increase (Decrease) in Liabilities:		
Accounts Payable	(20,936)	0
Accrued Wages	26,998	0
Compensated Absences Payable	(7,203)	0
Early Retirement Incentive Payable	4,550	0
Intergovernmental Payable	(24,410)	0
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u><u>(\$577,771)</u></u>	<u><u>\$652</u></u>

Non Cash Non Capital Financing Activities:

Federal Donated Commodities in the amount of \$17,697 were recorded as revenue when received in the food service fund.

Adult and Community Education	Total Nonmajor Enterprise Funds
(\$54,156)	(\$654,725)
0	17,507
0	17,697
(7,299)	(8,314)
550	537
0	7,051
0	3,224
(165)	(21,101)
(13,619)	13,379
5,206	(1,997)
0	4,550
2,127	(22,283)
<u>(\$67,356)</u>	<u>(\$644,475)</u>

### *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 Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Balance</u> <u>6-30-05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6-30-06</u>
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$168,169</u>	<u>\$241,805</u>	<u>\$266,615</u>	<u>\$143,359</u>
<i>Total Assets</i>	<u><u>\$168,169</u></u>	<u><u>\$241,805</u></u>	<u><u>\$266,615</u></u>	<u><u>\$143,359</u></u>
<b>Liabilities</b>				
Due to Students	<u>\$168,169</u>	<u>\$241,805</u>	<u>\$266,615</u>	<u>\$143,359</u>
<i>Total Liabilities</i>	<u><u>\$168,169</u></u>	<u><u>\$241,805</u></u>	<u><u>\$266,615</u></u>	<u><u>\$143,359</u></u>
<b><i>Employee Benefits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$12,940</u>	<u>\$107,611</u>	<u>\$115,818</u>	<u>\$4,733</u>
<i>Total Assets</i>	<u><u>\$12,940</u></u>	<u><u>\$107,611</u></u>	<u><u>\$115,818</u></u>	<u><u>\$4,733</u></u>
<b>Liabilities</b>				
Undistributed Monies	<u>\$12,940</u>	<u>\$107,611</u>	<u>\$115,818</u>	<u>\$4,733</u>
<i>Total Liabilities</i>	<u><u>\$12,940</u></u>	<u><u>\$107,611</u></u>	<u><u>\$115,818</u></u>	<u><u>\$4,733</u></u>
<b><i>Staff Services</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$7,954</u>	<u>\$34,106</u>	<u>\$19,138</u>	<u>\$22,922</u>
<i>Total Assets</i>	<u><u>\$7,954</u></u>	<u><u>\$34,106</u></u>	<u><u>\$19,138</u></u>	<u><u>\$22,922</u></u>
<b>Liabilities</b>				
Undistributed Monies	<u>\$7,954</u>	<u>\$34,106</u>	<u>\$19,138</u>	<u>\$22,922</u>
<i>Total Liabilities</i>	<u><u>\$7,954</u></u>	<u><u>\$34,106</u></u>	<u><u>\$19,138</u></u>	<u><u>\$22,922</u></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, 2006*

	<u>Balance</u> <u>6-30-05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6-30-06</u>
<b>All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$189,063</u>	<u>\$383,522</u>	<u>\$401,571</u>	<u>\$171,014</u>
<i>Total Assets</i>	<u><u>\$189,063</u></u>	<u><u>\$383,522</u></u>	<u><u>\$401,571</u></u>	<u><u>\$171,014</u></u>
<b>Liabilities</b>				
Undistributed Monies	\$20,894	\$141,717	\$134,956	\$27,655
Due to Students	<u>168,169</u>	<u>241,805</u>	<u>266,615</u>	<u>143,359</u>
<i>Total Liabilities</i>	<u><u>\$189,063</u></u>	<u><u>\$383,522</u></u>	<u><u>\$401,571</u></u>	<u><u>\$171,014</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, 2006*

	<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	\$54,567,116	\$55,163,138	\$55,965,193	\$802,055
Intergovernmental	13,549,313	13,697,308	13,697,308	0
Interest	673,113	680,465	741,806	61,341
Tuition and Fees	2,056,436	2,080,289	2,084,409	4,120
Rentals	33,777	34,146	34,621	475
Charges for Services	24,206	24,470	24,470	0
Contributions and Donations	7,230	7,309	7,309	0
Miscellaneous	56,696	58,085	111,419	53,334
<i>Total Revenues</i>	<u>70,967,887</u>	<u>71,745,210</u>	<u>72,666,535</u>	<u>921,325</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	19,324,114	19,587,260	19,586,432	828
Fringe Benefits	9,596,974	9,727,555	9,727,550	5
Purchased Services	1,415,924	1,399,435	1,370,981	28,454
Materials and Supplies	567,509	492,395	393,218	99,177
Capital Outlay - New	45,517	45,377	39,659	5,718
Capital Outlay - Replacement	9,372	9,500	9,378	122
Other	53,363	54,089	49,703	4,386
Total Regular	<u>31,012,773</u>	<u>31,315,611</u>	<u>31,176,921</u>	<u>138,690</u>
Special:				
Salaries and Wages	4,663,786	4,727,259	4,727,255	4
Fringe Benefits	2,126,990	2,155,938	2,092,007	63,931
Purchased Services	110,217	111,727	111,601	126
Materials and Supplies	21,256	20,470	17,334	3,136
Capital Outlay - New	6,831	6,924	6,910	14
Capital Outlay - Replacement	173	175	175	0
Other	78	79	79	0
Total Special	<u>\$6,929,331</u>	<u>\$7,022,572</u>	<u>\$6,955,361</u>	<u>\$67,211</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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Vocational:				
Salaries and Wages	\$456,877	\$463,095	\$423,438	\$39,657
Fringe Benefits	206,866	209,681	199,192	10,489
Materials and Supplies	2,599	2,634	943	1,691
<u>Total Vocational</u>	<u>666,342</u>	<u>675,410</u>	<u>623,573</u>	<u>51,837</u>
<u>Total Instruction</u>	<u>38,608,446</u>	<u>39,013,593</u>	<u>38,755,855</u>	<u>257,738</u>
Support Services:				
Pupil:				
Salaries and Wages	2,123,848	2,152,753	2,152,099	654
Fringe Benefits	1,017,849	1,031,702	1,031,699	3
Purchased Services	733,803	694,574	692,690	1,884
Materials and Supplies	34,785	27,908	22,225	5,683
Capital Outlay - New	891	903	903	0
<u>Total Pupil</u>	<u>3,911,176</u>	<u>3,907,840</u>	<u>3,899,616</u>	<u>8,224</u>
Instructional Staff:				
Salaries and Wages	3,518,135	3,566,016	3,469,618	96,398
Fringe Benefits	1,399,123	1,415,202	1,407,969	7,233
Purchased Services	229,039	184,810	137,712	47,098
Materials and Supplies	98,221	93,252	72,123	21,129
Capital Outlay - New	19,576	17,829	15,095	2,734
Capital Outlay - Replacement	493	500	455	45
Other	987	1,000	300	700
<u>Total Instructional Staff</u>	<u>5,265,574</u>	<u>5,278,609</u>	<u>5,103,272</u>	<u>175,337</u>
Board of Education:				
Salaries and Wages	5,801	5,880	5,880	0
Fringe Benefits	762	772	772	0
Purchased Services	4,745	4,810	4,527	283
Materials and Supplies	662	423	423	0
Other	11,969	12,132	11,267	865
<u>Total Board of Education</u>	<u>\$23,939</u>	<u>\$24,017</u>	<u>\$22,869</u>	<u>\$1,148</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, 2006*

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Administration:</b>				
Salaries and Wages	\$2,661,253	\$2,697,472	\$2,637,713	\$59,759
Fringe Benefits	1,186,195	1,202,339	1,184,973	17,366
Purchased Services	448,534	437,708	409,823	27,885
Materials and Supplies	24,360	20,828	14,023	6,805
Capital Outlay - Replacement	1,805	1,830	1,830	0
Other	10,458	10,600	8,614	1,986
<b>Total Administration</b>	<b>4,332,605</b>	<b>4,370,777</b>	<b>4,256,976</b>	<b>113,801</b>
<b>Fiscal:</b>				
Salaries and Wages	379,599	384,765	384,761	4
Fringe Benefits	226,055	222,130	222,129	1
Purchased Services	72,200	69,847	61,887	7,960
Materials and Supplies	5,677	5,651	5,492	159
Capital Outlay - New	431	437	0	437
Other	1,064,497	1,078,341	1,078,341	0
<b>Total Fiscal</b>	<b>1,748,459</b>	<b>1,761,171</b>	<b>1,752,610</b>	<b>8,561</b>
<b>Business:</b>				
Salaries and Wages	159,833	162,008	162,008	0
Fringe Benefits	90,477	91,708	91,703	5
Purchased Services	406,486	360,790	353,043	7,747
Materials and Supplies	224,641	197,092	172,092	25,000
Capital Outlay - New	2,757	2,795	2,795	0
Capital Outlay - Replacement	691	700	700	0
Other	67,341	68,257	67,099	1,158
<b>Total Business</b>	<b>952,226</b>	<b>883,350</b>	<b>849,440</b>	<b>33,910</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	3,414,806	3,461,281	3,461,279	2
Fringe Benefits	1,668,454	1,689,582	1,689,581	1
Purchased Services	3,229,024	2,760,080	2,753,356	6,724
Materials and Supplies	378,377	354,210	351,157	3,053
Capital Outlay - New	17,150	13,763	10,133	3,630
Capital Outlay - Replacement	13,673	13,859	6,742	7,117
Other	14,896	15,099	14,588	511
<b>Total Operation and Maintenance of Plant</b>	<b>\$8,736,380</b>	<b>\$8,307,874</b>	<b>\$8,286,836</b>	<b>\$21,038</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, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Pupil Transportation:</b>				
Salaries and Wages	\$2,022,575	\$2,050,102	\$2,050,093	\$9
Fringe Benefits	865,092	875,954	875,946	8
Purchased Services	243,477	228,333	196,267	32,066
Materials and Supplies	520,253	494,513	460,676	33,837
Capital Outlay - New	1,135	1,150	704	446
Capital Outlay - Replacement	1,135	1,150	0	1,150
Other	1,115	1,130	0	1,130
<b>Total Pupil Transportation</b>	<b>3,654,782</b>	<b>3,652,332</b>	<b>3,583,686</b>	<b>68,646</b>
<b>Central:</b>				
Salaries and Wages	992,943	1,006,457	979,676	26,781
Fringe Benefits	536,052	543,348	543,345	3
Purchased Services	1,187,244	1,176,689	1,166,615	10,074
Materials and Supplies	80,000	78,869	69,776	9,093
Capital Outlay - New	108,936	103,799	96,290	7,509
Capital Outlay - Replacement	15,173	15,380	9,926	5,454
Other	691	700	686	14
<b>Total Central</b>	<b>2,921,039</b>	<b>2,925,242</b>	<b>2,866,314</b>	<b>58,928</b>
<b>Total Support Services</b>	<b>31,546,180</b>	<b>31,111,212</b>	<b>30,621,619</b>	<b>489,593</b>
<b>Operation of Non-Instructional Services:</b>				
<b>Community Services:</b>				
Salaries and Wages	13,174	13,353	13,353	0
Fringe Benefits	3,446	3,493	3,493	0
Other	3,557	3,606	3,606	0
<b>Total Operation of Non-Instructional Services</b>	<b>20,177</b>	<b>20,452</b>	<b>20,452</b>	<b>0</b>
<b>Extracurricular Activities:</b>				
<b>Academic and Subject Oriented</b>				
<b>Activities:</b>				
Salaries and Wages	118,389	120,000	119,740	260
Fringe Benefits	53,595	54,324	48,425	5,899
<b>Total Academic and Subject Oriented</b>	<b>\$171,984</b>	<b>\$174,324</b>	<b>\$168,165</b>	<b>\$6,159</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, 2006*

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Sports Oriented Activities:				
Salaries and Wages	\$504,804	\$511,674	\$511,674	\$0
Fringe Benefits	217,079	220,033	220,033	0
<b>Total Sports Oriented Activities</b>	<b>721,883</b>	<b>731,707</b>	<b>731,707</b>	<b>0</b>
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	46,078	46,705	46,705	0
Fringe Benefits	39	40	40	0
<b>Total School and Public Service</b>	<b>46,117</b>	<b>46,745</b>	<b>46,745</b>	<b>0</b>
<b>Total Extracurricular Activities</b>	<b>939,984</b>	<b>952,776</b>	<b>946,617</b>	<b>6,159</b>
<i>Total Expenditures</i>	<i>71,114,787</i>	<i>71,098,033</i>	<i>70,334,543</i>	<i>753,490</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(146,900)</i>	<i>647,177</i>	<i>2,321,992</i>	<i>1,674,815</i>
<b>Other Financing Sources (Uses)</b>				
Advances In	107,125	108,295	108,295	0
Advances Out	(158,680)	(160,840)	(160,840)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(51,555)</i>	<i>(52,545)</i>	<i>(52,545)</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>(198,455)</i>	<i>594,632</i>	<i>2,269,447</i>	<i>1,674,815</i>
<i>Fund Balance Beginning of Year</i>	<i>1,000,573</i>	<i>1,000,573</i>	<i>1,000,573</i>	<i>0</i>
Prior Year Encumbrances Appropriated	974,061	974,061	974,061	0
<i>Fund Balance End of Year</i>	<i>\$1,776,179</i>	<i>\$2,569,266</i>	<i>\$4,244,081</i>	<i>\$1,674,815</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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$1,285,953	\$1,221,080	\$1,231,263	\$10,183
Intergovernmental	143,975	136,896	126,713	(10,183)
<i>Total Revenues</i>	<u>1,429,928</u>	<u>1,357,976</u>	<u>1,357,976</u>	<u>0</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	608,471	620,000	620,000	0
Interest and Fiscal Charges	534,083	544,836	427,382	117,454
Bond Issuance Cost	0	0	0	0
<i>Total Expenditures</i>	<u>1,142,554</u>	<u>1,164,836</u>	<u>1,047,382</u>	<u>117,454</u>
<i>Net Change in Fund Balance</i>	287,374	193,140	310,594	117,454
<i>Fund Balance Beginning of Year</i>	<u>1,868,316</u>	<u>1,868,316</u>	<u>1,868,316</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,155,690</u>	<u>\$2,061,456</u>	<u>\$2,178,910</u>	<u>\$117,454</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, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$1,206,316	\$1,635,263	\$1,658,025	\$22,762
Intergovernmental	119,373	163,031	140,269	(22,762)
<i>Total Revenues</i>	<u>1,325,689</u>	<u>1,798,294</u>	<u>1,798,294</u>	<u>0</u>
<b>Expenditures</b>				
Support Services:				
Instructional Staff:				
Materials and Supplies	29,783	50,505	31,095	19,410
Capital Outlay - New	43,479	75,000	63,087	11,913
Capital Outlay - Replacement	265,507	447,531	376,305	71,226
Total Instructional Staff	<u>338,769</u>	<u>573,036</u>	<u>470,487</u>	<u>102,549</u>
Fiscal:				
Purchased Services	4,464	7,700	7,700	0
Operation and Maintenance of Plant:				
Capital Outlay - New	28,986	50,000	46,356	3,644
Pupil Transportation:				
Capital Outlay - New	355,732	613,630	608,994	4,636
Central:				
Purchased Services	84,635	145,993	145,993	0
Total Support Services	<u>812,586</u>	<u>1,390,359</u>	<u>1,279,530</u>	<u>110,829</u>
Capital Outlay:				
Architecture and Engineering Services:				
Capital Outlay - New	7,346	4,650	0	4,650
Building Improvement Services:				
Capital Outlay - New	1,472,721	1,671,119	1,392,400	278,719
Total Capital Outlay	<u>1,480,067</u>	<u>1,675,769</u>	<u>1,392,400</u>	<u>283,369</u>
Debt Service:				
Principal Retirement	162,321	280,000	240,000	40,000
Interest and Fiscal Charges	93,611	137,246	66,876	70,370
Total Debt Service	<u>255,932</u>	<u>417,246</u>	<u>306,876</u>	<u>110,370</u>
<i>Total Expenditures</i>	<u>2,548,585</u>	<u>3,483,374</u>	<u>2,978,806</u>	<u>504,568</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,222,896)</u>	<u>(1,685,080)</u>	<u>(1,180,512)</u>	<u>504,568</u>
<b>Other Financing Sources</b>				
Proceeds of Bonds	478,003	650,000	650,000	0
Bond Premium	14,627	14,627	14,627	0
<i>Total Other Financing Sources</i>	<u>492,630</u>	<u>664,627</u>	<u>664,627</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(752,594)</u>	<u>(1,042,781)</u>	<u>(538,213)</u>	<u>504,568</u>
<i>Fund Balance Beginning of Year</i>	<u>933,281</u>	<u>933,281</u>	<u>933,281</u>	<u>0</u>
Prior Year Encumbrances Appropriated	515,163	515,163	515,163	0
<i>Fund Balance End of Year</i>	<u><u>\$695,850</u></u>	<u><u>\$405,663</u></u>	<u><u>\$910,231</u></u>	<u><u>\$504,568</u></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, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$1,549,152	\$1,437,216	\$1,437,216	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	45,630	47,177	47,177	0
Special:				
Salaries and Wages	22,381	23,140	23,140	0
Purchased Services	169,938	154,049	154,049	0
Materials and Supplies	169,558	170,341	170,341	0
Capital Outlay - New	88,775	69,076	69,076	0
Total Special Instruction	450,652	416,606	416,606	0
Total Instruction	496,282	463,783	463,783	0
Support Services:				
Pupil:				
Salaries and Wages	87,915	90,895	90,895	0
Fringe Benefits	21,073	21,787	21,787	0
Purchased Services	689,782	666,681	666,681	0
Total Pupil	798,770	779,363	779,363	0
Instructional Staff:				
Salaries and Wages	234,200	242,140	242,140	0
Fringe Benefits	8,669	8,963	8,963	0
Purchased Services	5,686	5,646	5,646	0
Total Instructional Staff	248,555	256,749	256,749	0
Administration:				
Salaries and Wages	34,182	35,341	35,341	0
Fringe Benefits	5,559	5,747	5,747	0
Total Administration	39,741	41,088	41,088	0
Pupil Transportation:				
Purchased Services	6,149	4,149	4,149	0
Total Support Services	\$1,053,474	\$1,040,261	\$1,040,261	\$0

(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, 2006*

	<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	\$231,803	\$236,158	\$236,158	\$0
<i>Total Expenditures</i>	<u>1,821,300</u>	<u>1,781,290</u>	<u>1,781,290</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(272,148)	(344,074)	(344,074)	0
<b>Other Financing Sources</b>				
Advances In	<u>0</u>	<u>160,840</u>	<u>160,840</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(272,148)	(183,234)	(183,234)	0
<i>Fund Balance Beginning of Year</i>	84,721	84,721	84,721	0
Prior Year Encumbrances Appropriated	<u>98,417</u>	<u>98,417</u>	<u>98,417</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$89,010)</u>	<u>(\$96)</u>	<u>(\$96)</u>	<u>\$0</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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$742,839	\$716,194	\$716,644	\$450
Interest	4,688	4,527	4,527	0
<i>Total Revenues</i>	<u>747,527</u>	<u>720,721</u>	<u>721,171</u>	<u>450</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	35,861	52,185	52,018	167
Fringe Benefits	16,996	24,732	24,709	23
Purchased Services	266,782	329,585	315,908	13,677
Materials and Supplies	241,291	260,876	224,392	36,484
Capital Outlay - New	118,892	102,064	73,021	29,043
Capital Outlay - Replacement	22,219	14,143	13,398	745
<i>Total Expenditures</i>	<u>702,041</u>	<u>783,585</u>	<u>703,446</u>	<u>80,139</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	45,486	(62,864)	17,725	80,589
<b>Other Financing Uses</b>				
Advances Out	(74,249)	(108,048)	(108,048)	0
<i>Net Change in Fund Balance</i>	(28,763)	(170,912)	(90,323)	80,589
<i>Fund Balance Beginning of Year</i>	7,344	7,344	7,344	0
Prior Year Encumbrances Appropriated	<u>163,568</u>	<u>163,568</u>	<u>163,568</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$142,149</u>	<u>\$0</u>	<u>\$80,589</u>	<u>\$80,589</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, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$598,539	\$509,455	\$509,455	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	370,246	378,948	350,284	28,664
Fringe Benefits	100,049	102,401	81,101	21,300
Purchased Services	8,349	6,990	3,603	3,387
Materials and Supplies	12,579	11,459	5,926	5,533
Capital Outlay - New	215	220	218	2
Total Instruction	491,438	500,018	441,132	58,886
Support Services:				
Instructional Staff:				
Salaries and Wages	16,100	16,478	16,478	0
Fringe Benefits	2,337	2,392	2,392	0
Purchased Services	1,087	50	0	50
Materials and Supplies	441	400	51	349
Total Support Services	19,965	19,320	18,921	399
Operation of Non-Instructional Services				
Community Services:				
Salaries and Wages	12,060	12,343	12,026	317
Fringe Benefits	3,030	3,102	2,305	797
Capital Outlay - New	10,715	10,967	6,995	3,972
Total Operation of Non-Instructional Services	25,805	26,412	21,326	5,086
<i>Total Expenditures</i>	537,208	545,750	481,379	64,371
<i>Net Change in Fund Balance</i>	61,331	(36,295)	28,076	64,371
<i>Fund Balance Beginning of Year</i>	70,115	70,115	70,115	0
Prior Year Encumbrances Appropriated	3,991	3,991	3,991	0
<i>Fund Balance End of Year</i>	\$135,437	\$37,811	\$102,182	\$64,371

**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, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Extracurricular Activities	\$492,002	\$466,115	\$466,115	\$0
Contributions and Donations	40,009	37,905	37,905	0
Miscellaneous	17,879	16,939	16,939	0
<i>Total Revenues</i>	<u>549,890</u>	<u>520,959</u>	<u>520,959</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Materials and Supplies	2,536	3,000	2,680	320
Pupil Transportation:				
Purchased Services	30,436	36,000	33,226	2,774
Total Support Services	<u>32,972</u>	<u>39,000</u>	<u>35,906</u>	<u>3,094</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	122	144	72	72
Fringe Benefits	31	37	0	37
Purchased Services	14,037	16,621	12,014	4,607
Materials and Supplies	90,314	104,020	73,301	30,719
Capital Outlay - New	2,452	2,900	89	2,811
Other	49,602	58,671	55,134	3,537
Total Academic and Subject Oriented Activities	<u>156,558</u>	<u>182,393</u>	<u>140,610</u>	<u>41,783</u>
Sports Oriented Activities:				
Salaries and Wages	3,433	4,061	2,865	1,196
Purchased Services	112,049	126,559	111,477	15,082
Materials and Supplies	164,799	176,940	142,757	34,183
Capital Outlay - New	2,556	3,023	2,883	140
Other	149	176	112	64
Total Sports Oriented Activities	<u>282,986</u>	<u>310,759</u>	<u>260,094</u>	<u>50,665</u>
Total Extracurricular Activities	<u>439,544</u>	<u>493,152</u>	<u>400,704</u>	<u>92,448</u>
<i>Total Expenditures</i>	<u>\$472,516</u>	<u>\$532,152</u>	<u>\$436,610</u>	<u>\$95,542</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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Net Change in Fund Balance</i>	\$77,374	(\$11,193)	\$84,349	\$95,542
<i>Fund Balance Beginning of Year</i>	136,464	136,464	136,464	0
Prior Year Encumbrances Appropriated	<u>22,632</u>	<u>22,632</u>	<u>22,632</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$236,470</u></u>	<u><u>\$147,903</u></u>	<u><u>\$243,445</u></u>	<u><u>\$95,542</u></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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$232,713	\$232,413	\$232,413	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	85,847	88,274	73,677	14,597
Fringe Benefits	55,586	57,158	55,773	1,385
Purchased Services	486	500	437	63
Total Instruction	141,920	145,932	129,887	16,045
Support Services:				
Pupil:				
Purchased Services	9,725	10,000	10,000	0
Materials and Supplies	9,339	7,756	6,694	1,062
Total Pupil	19,064	17,756	16,694	1,062
Instructional Staff:				
Salaries and Wages	32,540	33,460	33,460	0
Fringe Benefits	20,901	21,492	21,492	0
Total Instructional Staff	53,441	54,952	54,952	0
Administration:				
Salaries and Wages	15,373	15,808	15,808	0
Fringe Benefits	1,471	1,513	1,513	0
Materials and Supplies	584	600	565	35
Total Administration	17,428	17,921	17,886	35
Total Support Services	89,933	90,629	89,532	1,097
<i>Total Expenditures</i>	231,853	236,561	219,419	17,142
<i>Net Change in Fund Balance</i>	860	(4,148)	12,994	17,142
<i>Fund Balance Beginning of Year</i>	5,335	5,335	5,335	0
Prior Year Encumbrances Appropriated	1,796	1,796	1,796	0
<i>Fund Balance End of Year</i>	\$7,991	\$2,983	\$20,125	\$17,142

**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, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Extracurricular Activities	\$287,643	\$139,752	\$138,872	(\$880)
Contributions and Donations	88,463	43,022	43,022	0
Miscellaneous	123,779	60,197	60,197	0
<i>Total Revenues</i>	<u>499,885</u>	<u>242,971</u>	<u>242,091</u>	<u>(880)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	120	200	75	125
Fringe Benefits	718	1,200	836	364
Purchased Services	10,723	17,918	14,267	3,651
Materials and Supplies	25,712	37,816	17,884	19,932
Capital Outlay - New	4,714	3,700	490	3,210
Other	14,534	22,829	13,707	9,122
Total Regular	<u>56,521</u>	<u>83,663</u>	<u>47,259</u>	<u>36,404</u>
Special:				
Materials and Supplies	838	1,401	765	636
Total Instruction	<u>57,359</u>	<u>85,064</u>	<u>48,024</u>	<u>37,040</u>
Support Services:				
Pupil:				
Purchased Services	350	585	585	0
Materials and Supplies	1,740	2,908	801	2,107
Other	54	90	90	0
Total Pupil	<u>2,144</u>	<u>3,583</u>	<u>1,476</u>	<u>2,107</u>
Instructional Staff:				
Purchased Services	54,944	73,858	50,720	23,138
Materials and Supplies	128,271	202,588	108,639	93,949
Capital Outlay - New	6,532	7,814	2,548	5,266
Capital Outlay - Replacement	3,994	6,674	1,849	4,825
Other	6,726	11,240	5,247	5,993
Total Instructional Staff	<u>200,467</u>	<u>302,174</u>	<u>169,003</u>	<u>133,171</u>
Total Support Services	<u>\$202,611</u>	<u>\$305,757</u>	<u>\$170,479</u>	<u>\$135,278</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, 2006*

	<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	\$105	\$175	\$0	\$175
Other	111	186	157	29
Total Academic and Subject Oriented Activities	<u>216</u>	<u>361</u>	<u>157</u>	<u>204</u>
School and Public Service Co-Curricular Activities:				
Purchased Services	89	149	149	0
Materials and Supplies	17,074	26,240	20,886	5,354
Total School and Public Service Co-Curricular Activities	<u>17,163</u>	<u>26,389</u>	<u>21,035</u>	<u>5,354</u>
Total Extracurricular Activities	<u>17,379</u>	<u>26,750</u>	<u>21,192</u>	<u>5,558</u>
<i>Total Expenditures</i>	<u>277,349</u>	<u>417,571</u>	<u>239,695</u>	<u>177,876</u>
<i>Net Change in Fund Balance</i>	222,536	(174,600)	2,396	176,996
<i>Fund Balance Beginning of Year</i>	157,515	157,515	157,515	0
Prior Year Encumbrances Appropriated	<u>27,464</u>	<u>27,464</u>	<u>27,464</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$407,515</u></u>	<u><u>\$10,379</u></u>	<u><u>\$187,375</u></u>	<u><u>\$176,996</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Local Grants Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<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	\$7,460	\$1,768	\$1,768	\$0
Contributions and Donations	321,350	76,157	76,157	0
<i>Total Revenues</i>	<u>328,810</u>	<u>77,925</u>	<u>77,925</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	20,903	33,942	30,994	2,948
Fringe Benefits	4,196	6,813	6,271	542
Purchased Services	6,136	9,964	4,471	5,493
Materials and Supplies	50,249	81,179	24,970	56,209
Capital Outlay - New	4,965	8,060	0	8,060
Other	3,387	5,500	4,100	1,400
Total Regular	<u>89,836</u>	<u>145,458</u>	<u>70,806</u>	<u>74,652</u>
Special:				
Materials and Supplies	516	636	555	81
Vocational:				
Purchased Services	1,084	837	268	569
Materials and Supplies	399	252	0	252
Total Vocational	<u>1,483</u>	<u>1,089</u>	<u>268</u>	<u>821</u>
Total Instruction	<u>91,835</u>	<u>147,183</u>	<u>71,629</u>	<u>75,554</u>
Support Services:				
Pupil:				
Materials and Supplies	1,992	3,235	3,235	0
Capital Outlay - New	17	28	0	28
Total Pupil	<u>\$2,009</u>	<u>\$3,263</u>	<u>\$3,235</u>	<u>\$28</u>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Local Grants Fund (continued)  
For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Instructional Staff:				
Salaries and Wages	\$65	\$106	\$0	\$106
Fringe Benefits	307	499	0	499
Materials and Supplies	5,142	7,339	6,039	1,300
<b>Total Instructional Staff</b>	<b>5,514</b>	<b>7,944</b>	<b>6,039</b>	<b>1,905</b>
Pupil Transportation:				
Purchased Services	308	500	0	500
<b>Total Support Services</b>	<b>7,831</b>	<b>11,707</b>	<b>12,509</b>	<b>2,433</b>
Operation of Non-Instructional Services				
Community Services:				
Capital Outlay - New	105	171	0	171
Extracurricular Activities:				
Academic and Subject Oriented				
Materials and Supplies	2	4	0	4
<b>Total Expenditures</b>	<b>99,773</b>	<b>159,065</b>	<b>84,138</b>	<b>74,927</b>
<b>Net Change in Fund Balance</b>	<b>229,037</b>	<b>(81,140)</b>	<b>(2,978)</b>	<b>74,927</b>
<b>Fund Balance Beginning of Year</b>	<b>92,132</b>	<b>92,132</b>	<b>92,132</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>1,816</b>	<b>1,816</b>	<b>1,816</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$322,985</b>	<b>\$12,808</b>	<b>\$90,970</b>	<b>\$74,927</b>

**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, 2006*

	<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	\$53,000	\$45,945	\$45,945	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	21,975	18,968	18,968	0
Fringe Benefits	4,970	4,290	4,290	0
Total Pupil	26,945	23,258	23,258	0
Instructional Staff:				
Salaries and Wages	8,852	7,641	7,641	0
Fringe Benefits	760	656	656	0
Purchased Services	4,406	3,161	3,161	0
Materials and Supplies	9,108	7,862	7,862	0
Total Instructional Staff	23,126	19,320	19,320	0
<i>Total Expenditures</i>	50,071	42,578	42,578	0
<i>Net Change in Fund Balance</i>	2,929	3,367	3,367	0
<i>Fund Balance Beginning of Year</i>	1,687	1,687	1,687	0
Prior Year Encumbrances Appropriated	744	744	744	0
<i>Fund Balance End of Year</i>	\$5,360	\$5,798	\$5,798	\$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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,000</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*  
*Autism Grant Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<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	\$45,418	\$25,319	\$25,319	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	10,201	10,892	10,892	0
Fringe Benefits	2,177	2,324	2,324	0
Total Instruction	12,378	13,216	13,216	0
Support Services:				
Instructional Staff:				
Salaries and Wages	3,342	3,568	3,568	0
Fringe Benefits	85	91	91	0
Purchased Services	7,494	8,001	8,001	0
Materials and Supplies	9,092	9,177	9,177	0
Capital Outlay - New	1,024	1,094	1,094	0
Total Support Services	21,037	21,931	21,931	0
<i>Total Expenditures</i>	33,415	35,147	35,147	0
<i>Net Change in Fund Balance</i>	12,003	(9,828)	(9,828)	0
<i>Fund Balance Beginning of Year</i>	9,427	9,427	9,427	0
Prior Year Encumbrances Appropriated	497	497	497	0
<i>Fund Balance End of Year</i>	\$21,927	\$96	\$96	\$0



**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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$35,814	\$35,556	\$35,556	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	13,401	20,854	20,854	0
Materials and Supplies	1,307	1,503	594	909
Capital Outlay - New	7,026	10,933	10,218	715
Total Support Services	21,734	33,290	31,666	1,624
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	1,911	2,844	1,390	1,454
<i>Total Expenditures</i>	23,645	36,134	33,056	3,078
<i>Net Change in Fund Balance</i>	12,169	(578)	2,500	3,078
<i>Fund Balance Beginning of Year</i>	154	154	154	0
Prior Year Encumbrances Appropriated	424	424	424	0
<i>Fund Balance End of Year</i>	\$12,747	\$0	\$3,078	\$3,078

**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, 2006*

	<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	\$23,377	\$12,148	\$12,148	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	5,011	6,854	6,854	0
Fringe Benefits	914	1,250	959	291
Total Instruction	5,925	8,104	7,813	291
Support Services:				
Instructional Staff:				
Purchased Services	10,809	5,210	5,210	0
Materials and Supplies	7,648	6,523	5,296	1,227
Capital Outlay - New	10,461	6,043	6,043	0
Total Instructional Staff	28,918	17,776	16,549	1,227
Operation and Maintenance of Plant:				
Capital Outlay - New	2,301	3,147	3,147	0
Pupil Transportation:				
Purchased Services	271	370	370	0
Total Support Services	31,490	21,293	20,066	1,227
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	217	248	0	248
<i>Total Expenditures</i>	37,632	29,645	27,879	1,766
<i>Net Change in Fund Balance</i>	(14,255)	(17,497)	(15,731)	1,766
<i>Fund Balance Beginning of Year</i>	1,539	1,539	1,539	0
Prior Year Encumbrances Appropriated	15,958	15,958	15,958	0
<i>Fund Balance End of Year</i>	<u>\$3,242</u>	<u>\$0</u>	<u>\$1,766</u>	<u>\$1,766</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, 2006*

	<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	\$24,390	\$10,821	\$10,821	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	5,174	10,000	8,000	2,000
Materials and Supplies	1,168	417	417	0
<i>Total Expenditures</i>	<u>6,342</u>	<u>10,417</u>	<u>8,417</u>	<u>2,000</u>
<i>Net Change in Fund Balance</i>	18,048	404	2,404	2,000
<i>Fund Balance Beginning of Year</i>	4,181	4,181	4,181	0
Prior Year Encumbrances Appropriated	<u>952</u>	<u>952</u>	<u>952</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$23,181</u></u>	<u><u>\$5,537</u></u>	<u><u>\$7,537</u></u>	<u><u>\$2,000</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, 2006*

	<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	\$25,858	\$25,858	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Salaries and Wages	10,534	23,919	23,919	0
Purchased Services	4,236	4,865	4,690	175
Materials and Supplies	1,757	3,990	3,990	0
Capital Outlay - New	21	47	0	47
<i>Total Expenditures</i>	<u>16,548</u>	<u>32,821</u>	<u>32,599</u>	<u>222</u>
<i>Net Change in Fund Balance</i>	63,452	(6,963)	(6,741)	222
<i>Fund Balance Beginning of Year</i>	23,331	23,331	23,331	0
Prior Year Encumbrances Appropriated	<u>2,093</u>	<u>2,093</u>	<u>2,093</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$88,876</u></u>	<u><u>\$18,461</u></u>	<u><u>\$18,683</u></u>	<u><u>\$222</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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>305</u>	<u>305</u>	<u>305</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$305</u></u>	<u><u>\$305</u></u>	<u><u>\$305</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  
 School Professional Development Fund  
 For the Fiscal Year Ended June 30, 2006*

	<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	<u>\$16,000</u>	<u>\$3,925</u>	<u>\$3,925</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	949	949	867	82
Fringe Benefits	133	133	0	133
Purchased Services	<u>2,218</u>	<u>2,218</u>	<u>2,216</u>	<u>2</u>
<i>Total Expenditures</i>	<u>3,300</u>	<u>3,300</u>	<u>3,083</u>	<u>217</u>
<i>Net Change in Fund Balance</i>	12,700	625	842	217
<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>\$12,700</u></u>	<u><u>\$625</u></u>	<u><u>\$842</u></u>	<u><u>\$217</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, 2006*

	<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	<u>\$13,875</u>	<u>\$13,132</u>	<u>\$13,132</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>6,658</u>	<u>13,634</u>	<u>13,634</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	206	421	421	0
Materials and Supplies	<u>379</u>	<u>776</u>	<u>142</u>	<u>634</u>
Total Operation of Non-Instructional Services	<u>585</u>	<u>1,197</u>	<u>563</u>	<u>634</u>
<i>Total Expenditures</i>	<u>7,243</u>	<u>14,831</u>	<u>14,197</u>	<u>634</u>
<i>Net Change in Fund Balance</i>	6,632	(1,699)	(1,065)	634
<i>Fund Balance Beginning of Year</i>	<u>2,304</u>	<u>2,304</u>	<u>2,304</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,936</u></u>	<u><u>\$605</u></u>	<u><u>\$1,239</u></u>	<u><u>\$634</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, 2006*

	<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	\$21,262	\$23,361	\$23,361	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	16,233	18,648	18,182	466
Fringe Benefits	4,472	5,138	2,781	2,357
Purchased Services	1,952	2,202	1,662	540
Materials and Supplies	951	1,000	413	587
<i>Total Expenditures</i>	<u>23,608</u>	<u>26,988</u>	<u>23,038</u>	<u>3,950</u>
<i>Net Change in Fund Balance</i>	(2,346)	(3,627)	323	3,950
<i>Fund Balance Beginning of Year</i>	3,519	3,519	3,519	0
Prior Year Encumbrances Appropriated	<u>116</u>	<u>116</u>	<u>116</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,289</u></u>	<u><u>\$8</u></u>	<u><u>\$3,958</u></u>	<u><u>\$3,950</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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>6</u>	<u>6</u>	<u>6</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6</u>	<u>\$6</u>	<u>\$6</u>	<u>\$0</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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	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>\$27</u>	<u>\$27</u>	<u>\$27</u>	<u>\$0</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Teacher Advancement Program Fund*  
*For the Fiscal Year Ended June 30, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$62,242	\$92,277	\$92,277	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	19,453	54,468	35,342	19,126
Fringe Benefits	5,417	15,168	8,575	6,593
Purchased Services	18,129	50,761	33,950	16,811
Materials and Supplies	2,398	6,715	1,415	5,300
Total Instruction	45,397	127,112	79,282	47,830
Support Services:				
Pupil:				
Purchased Services	773	2,165	2,165	0
Operation of Non-Instructional Services				
Food Service Operations:				
Purchased Services	1,071	3,000	2,500	500
<i>Total Expenditures</i>	47,242	132,277	83,947	48,330
<i>Net Change in Fund Balance</i>	15,000	(40,000)	8,330	48,330
<i>Fund Balance Beginning of Year</i>	40,000	40,000	40,000	0
<i>Fund Balance End of Year</i>	\$55,000	\$0	\$48,330	\$48,330

**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, 2006*

	<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	\$15,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Fringe Benefits	7,161	7,161	0	7,161
Purchased Services	1,501	1,501	0	1,501
Materials and Supplies	24,440	24,440	0	24,440
Capital Outlay - New	2,757	2,757	0	2,757
<i>Total Expenditures</i>	<u>35,859</u>	<u>35,859</u>	<u>0</u>	<u>35,859</u>
<i>Net Change in Fund Balance</i>	(20,859)	(35,859)	0	35,859
<i>Fund Balance Beginning of Year</i>	<u>70,849</u>	<u>70,849</u>	<u>70,849</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$49,990</u></u>	<u><u>\$34,990</u></u>	<u><u>\$70,849</u></u>	<u><u>\$35,859</u></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, 2006*

	<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	\$148,341	\$158,224	\$158,224	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	116,973	110,184	110,184	0
Fringe Benefits	25,729	24,236	24,236	0
Total Instruction	142,702	134,420	134,420	0
Support Services:				
Instructional Staff:				
Purchased Services	6,146	5,789	169	5,620
Operation of Non-Instructional Services				
Community Services:				
Purchased Services	635	598	598	0
<i>Total Expenditures</i>	149,483	140,807	135,187	5,620
<i>Net Change in Fund Balance</i>	(1,142)	17,417	23,037	5,620
<i>Fund Balance (Deficit) Beginning of Year</i>	(7,012)	(7,012)	(7,012)	0
<i>Fund Balance (Deficit) End of Year</i>	(\$8,154)	\$10,405	\$16,025	\$5,620

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Reading Intervention Grant Fund  
 For the Fiscal Year Ended June 30, 2006*

	<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	\$135,000	\$24,896	\$24,896	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	28,827	28,827	28,827	0
Materials and Supplies	1,397	1,397	1,397	0
<i>Total Expenditures</i>	<u>30,224</u>	<u>30,224</u>	<u>30,224</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	104,776	(5,328)	(5,328)	0
<i>Fund Balance Beginning of Year</i>	3,931	3,931	3,931	0
Prior Year Encumbrances Appropriated	<u>1,397</u>	<u>1,397</u>	<u>1,397</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$110,104</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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  
 Poverty Based Assistance Grant Fund  
 For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$8,000	\$6,376	\$6,376	\$0
<b>Expenditures</b>				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	8,000	6,376	6,376	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>\$8,000</u></u>	<u><u>\$6,376</u></u>	<u><u>\$6,376</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*  
*Title III Fund*  
*For the Fiscal Year Ended June 30, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$24,785	\$23,582	\$23,582	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	21,447	14,552	13,717	835
Fringe Benefits	5,315	3,606	2,685	921
Purchased Services	3,060	2,076	2,076	0
Materials and Supplies	3,095	2,100	2,100	0
<i>Total Expenditures</i>	32,917	22,334	20,578	1,756
<i>Excess of Revenues Over (Under) Expenditures</i>	(8,132)	1,248	3,004	1,756
<b>Other Financing Uses</b>				
Advances Out	(364)	(247)	(247)	0
<i>Net Change in Fund Balance</i>	(8,496)	1,001	2,757	1,756
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$8,496)	\$1,001	\$2,757	\$1,756



**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Hurricane Education Relief Act Grant Fund  
 For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,250	\$2,000	\$2,000	\$0
<b>Expenditures</b>				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,250	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>\$1,250</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*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<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	\$345,796	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	1,084	1,084	0	1,084
Building Improvement Services:				
Capital Outlay - New	669	669	0	669
<i>Total Expenditures</i>	<u>1,753</u>	<u>1,753</u>	<u>0</u>	<u>1,753</u>
<i>Net Change in Fund Balance</i>	344,043	(1,753)	0	1,753
<i>Fund Balance Beginning of Year</i>	3,862	3,862	3,862	0
Prior Year Encumbrances Appropriated	<u>1,753</u>	<u>1,753</u>	<u>1,753</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$349,658</u></u>	<u><u>\$3,862</u></u>	<u><u>\$5,615</u></u>	<u><u>\$1,753</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, 2006*

	<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	\$2,596	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	<u>4,320</u>	<u>4,320</u>	<u>4,320</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,724)	(4,320)	(4,320)	0
<i>Fund Balance Beginning of Year</i>	1,724	1,724	1,724	0
Prior Year Encumbrances Appropriated	<u>4,320</u>	<u>4,320</u>	<u>4,320</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,320</u></u>	<u><u>\$1,724</u></u>	<u><u>\$1,724</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  
 Network Connectivity Fund  
 For the Fiscal Year Ended June 30, 2006*

	<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	<u>\$50,000</u>	<u>\$39,000</u>	<u>\$39,000</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Capital Outlay - Replacement	26	12	0	12
Central:				
Purchased Services	<u>83,598</u>	<u>39,000</u>	<u>39,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>83,624</u>	<u>39,012</u>	<u>39,000</u>	<u>12</u>
<i>Net Change in Fund Balance</i>	(33,624)	(12)	0	12
<i>Fund Balance Beginning of Year</i>	<u>12</u>	<u>12</u>	<u>12</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$33,612)</u>	<u>\$0</u>	<u>\$12</u>	<u>\$12</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, 2006*

	<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	\$2,400	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>2,400</u>	<u>2,400</u>	<u>0</u>	<u>2,400</u>
<i>Net Change in Fund Balance</i>	0	(2,400)	0	2,400
<i>Fund Balance Beginning of Year</i>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,400</u></u>	<u><u>\$0</u></u>	<u><u>\$2,400</u></u>	<u><u>\$2,400</u></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, 2006*

	<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	\$1,678,166	\$1,416,395	\$1,416,395	\$0
Interest	17,128	14,456	16,636	2,180
Miscellaneous	8,232	6,948	6,948	0
Operating Grants	696,474	587,834	587,834	0
<i>Total Revenues</i>	<u>2,400,000</u>	<u>2,025,633</u>	<u>2,027,813</u>	<u>2,180</u>
<b>Expenses</b>				
Salaries:				
Food Service Operations	874,744	795,869	795,869	0
Fringe Benefits:				
Food Service Operations	411,591	374,398	374,887	(489)
Purchased Services:				
Food Service Operations	183,264	108,507	106,385	2,122
Materials and Supplies:				
Food Service Operations	1,028,573	890,157	750,785	139,372
<i>Total Expenses</i>	<u>2,498,172</u>	<u>2,168,931</u>	<u>2,027,926</u>	<u>141,005</u>
<i>Net Change in Fund Equity</i>	(98,172)	(143,298)	(113)	143,185
<i>Fund Equity Beginning of Year</i>	214,025	214,025	214,025	0
Prior Year Encumbrances Appropriated	114,288	114,288	114,288	0
<i>Fund Equity End of Year</i>	<u>\$230,141</u>	<u>\$185,015</u>	<u>\$328,200</u>	<u>\$143,185</u>

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<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	\$125,000	\$52,553	\$52,647	\$94
<b>Expenses:</b>				
Materials and Supplies:				
Regular Instruction	<u>50,361</u>	<u>63,057</u>	<u>53,173</u>	<u>9,884</u>
<i>Net Change in Fund Equity</i>	74,639	(10,504)	(526)	9,978
<i>Fund Equity Beginning of Year</i>	32,176	32,176	32,176	0
Prior Year Encumbrances Appropriated	<u>361</u>	<u>361</u>	<u>361</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$107,176</u></u>	<u><u>\$22,033</u></u>	<u><u>\$32,011</u></u>	<u><u>\$9,978</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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tuition	\$1,300,000	\$1,129,809	\$1,137,064	\$7,255
<b>Expenses</b>				
Salaries:				
Adult/Continuing Instruction	64,833	69,620	69,620	0
Community Services	585,060	628,260	628,260	0
Total Salaries	649,893	697,880	697,880	0
Fringe Benefits:				
Adult/Continuing Instruction	20,482	21,941	22,451	(510)
Community Services	294,155	315,875	315,875	0
Total Fringe Benefits	314,637	337,816	338,326	(510)
Purchased Services:				
Adult/Continuing Instruction	116,189	119,814	112,864	6,950
Community Services	47,820	47,300	32,078	15,222
Total Purchased Services	164,009	167,114	144,942	22,172
Materials and Supplies:				
Adult/Continuing Instruction	2,088	2,039	212	1,827
Community Services	32,580	31,565	25,632	5,933
Total Materials and Supplies	34,668	33,604	25,844	7,760
Other:				
Adult/Continuing Instruction	4,097	4,400	4,148	252
Community Services	5,587	6,000	5,779	221
Total Other	9,684	10,400	9,927	473
<i>Total Expenses</i>	1,172,891	1,246,814	1,216,919	29,895
<i>Net Change in Fund Equity</i>	127,109	(117,005)	(79,855)	37,150
<i>Fund Equity Beginning of Year</i>	346,630	346,630	346,630	0
Prior Year Encumbrances Appropriated	11,810	11,810	11,810	0
<i>Fund Equity End of Year</i>	\$485,549	\$241,435	\$278,585	\$37,150



**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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	<u>\$9,840,000</u>	<u>\$9,369,749</u>	<u>\$9,433,219</u>	<u>\$63,470</u>
<b>Expenses</b>				
Fringe Benefits:				
Central Support Services	8,794,688	8,750,000	7,213,830	1,536,170
Purchased Services:				
Central Support Services	<u>1,045,312</u>	<u>1,040,000</u>	<u>853,818</u>	<u>186,182</u>
Total Expenses	<u>9,840,000</u>	<u>9,790,000</u>	<u>8,067,648</u>	<u>1,722,352</u>
<i>Net Change in Fund Equity</i>	0	(420,251)	1,365,571	1,785,822
<i>Fund Equity Beginning of Year</i>	<u>913,898</u>	<u>913,898</u>	<u>913,898</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$913,898</u></u>	<u><u>\$493,647</u></u>	<u><u>\$2,279,469</u></u>	<u><u>\$1,785,822</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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$675	\$515	\$515	\$0
<b>Expenses:</b>				
Other:				
Regular Instruction	675	0	0	0
<i>Net Change In Fund Balance</i>	0	515	515	0
<i>Fund Balance Beginning of Year</i>	13,132	13,132	13,132	0
<i>Fund Balance End of Year</i>	<u>\$13,132</u>	<u>\$13,647</u>	<u>\$13,647</u>	<u>\$0</u>

# STATISTICAL SECTION



Krystal M./3<sup>rd</sup> Grade  
Brookpark Memorial Elementary School  
Art Instructor: Deb Hudson

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## Statistical Section

This part of the Berea City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

### **Contents**

### **Page(s)**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

S2 - S13

#### **Revenue Capacity**

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

S14 - S21

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

S22 - S26

#### **Economic and Demographic Information**

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.

S27

#### **Operating Information**

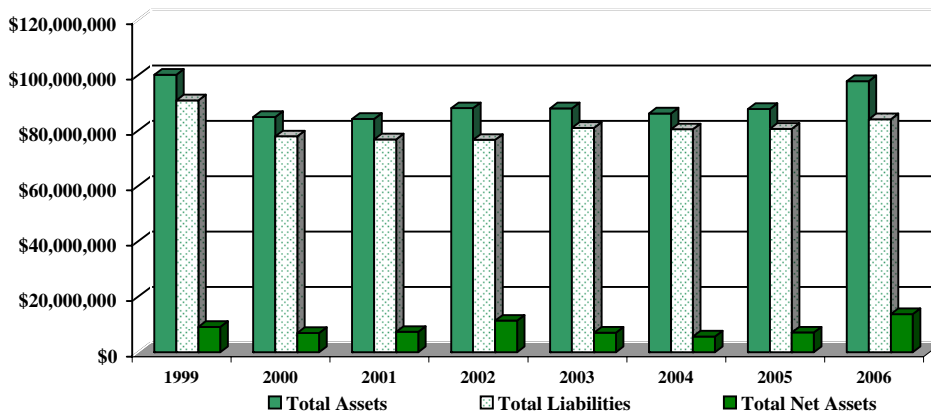
These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in 1999; schedules presenting government-wide information include information beginning in that year.

**Berea City School District**  
*Net Assets by Component*  
*Last Eight Fiscal Years*  
*(accrual basis of accounting)*

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Governmental Activities:</b>					
Invested in Capital Assets, Net of Related Debt	\$7,479,607	\$8,023,752	\$8,034,487	\$8,589,025	\$7,982,725
Restricted for:					
Capital Projects	1,327,866	1,363,475	1,973,385	2,252,795	1,556,283
Debt Service	646,692	693,892	856,742	1,171,432	1,387,180
Set Asides	0	0	0	795,483	1,456,976
Other Purposes	851,676	749,420	561,062	677,308	691,877
Unrestricted (Deficit)	<u>(2,309,798)</u>	<u>(4,943,289)</u>	<u>(5,078,261)</u>	<u>(3,041,822)</u>	<u>(6,635,259)</u>
<i>Total Net Assets - Governmental Activities</i>	<u>7,996,043</u>	<u>5,887,250</u>	<u>6,347,415</u>	<u>10,444,221</u>	<u>6,439,782</u>
<b>Business-Type Activities:</b>					
Invested in Capital Assets, Net of Related Debt	240,036	227,342	271,448	324,248	311,501
Unrestricted (Deficit)	<u>969,151</u>	<u>880,342</u>	<u>769,362</u>	<u>656,429</u>	<u>450,204</u>
<i>Total Net Assets - Business-Type Activities</i>	<u>1,209,187</u>	<u>1,107,684</u>	<u>1,040,810</u>	<u>980,677</u>	<u>761,705</u>
<b>Primary Government</b>					
Invested in Capital Assets, Net of Related Debt	7,719,643	8,251,094	8,305,935	8,913,273	8,294,226
Restricted for:					
Capital Projects	1,327,866	1,363,475	1,973,385	2,252,795	1,556,283
Debt Service	646,692	693,892	856,742	1,171,432	1,387,180
Set Asides	0	0	0	795,483	1,456,976
Other Purposes	851,676	749,420	561,062	677,308	691,877
Unrestricted (Deficit)	<u>(1,340,647)</u>	<u>(4,062,947)</u>	<u>(4,308,899)</u>	<u>(2,385,393)</u>	<u>(6,185,055)</u>
<i>Total Net Assets - Primary Government</i>	<u>\$9,205,230</u>	<u>\$6,994,934</u>	<u>\$7,388,225</u>	<u>\$11,424,898</u>	<u>\$7,201,487</u>



<b>2004</b>	<b>2005</b>	<b>2006</b>
\$4,675,106	\$4,195,154	\$3,701,144
1,274,847	1,340,582	1,670,088
1,749,312	2,078,188	2,314,486
433,879	74,709	560,923
811,572	952,118	1,411,387
(4,937,796)	(363,997)	3,604,585
4,006,920	8,276,754	13,262,613
153,583	37,678	20,171
267,704	500,891	497,656
421,287	538,569	517,827
4,828,689	4,232,832	3,721,315
1,274,847	1,340,582	1,670,088
1,749,312	2,078,188	2,314,486
433,879	74,709	560,923
811,572	952,118	1,411,387
(4,670,092)	136,894	4,102,241
<u>\$4,428,207</u>	<u>\$8,815,323</u>	<u>\$13,780,440</u>

**Berea City School District**  
*Changes in Net Assets*  
*Last Eight Fiscal Years*  
*(accrual basis of accounting)*

	1999	2000	2001	2002
<b>Expenses</b>				
<b>Governmental Activities:</b>				
Regular Instruction	\$29,246,237	\$28,341,349	\$31,242,817	\$33,845,941
Special Instruction	4,533,049	5,598,623	5,517,738	6,229,099
Vocational Instruction	494,566	426,912	512,130	610,196
Adult/Continuing Instruction	76,955	12,920	56,377	1,494
Pupil Support	3,412,303	3,313,030	3,719,957	4,159,680
Instructional Staff Support	5,623,076	5,990,417	6,649,772	6,646,034
Board of Education	27,540	39,552	41,286	25,310
Administration	3,445,483	3,470,903	3,887,006	4,145,642
Fiscal	1,380,235	1,334,947	1,333,261	1,473,408
Business	935,820	864,912	1,094,132	846,750
Operation and Maintenance of Plant	7,497,937	8,531,623	8,533,754	8,040,642
Pupil Transportation	2,565,486	3,069,335	3,085,916	3,428,270
Central	979,137	1,108,849	2,602,684	1,479,283
Operation of Non-Instructional Services	573,336	608,592	744,017	622,093
Extracurricular Activities	1,333,741	1,404,059	1,523,604	1,572,674
Intergovernmental	7,514	8,704	262	0
Interest and Fiscal Charges	843,331	825,457	755,802	709,324
<i>Total Governmental Activities Expenses</i>	<u>62,975,746</u>	<u>64,950,184</u>	<u>71,300,515</u>	<u>73,835,840</u>
<b>Business-Type Activities:</b>				
Food Service	1,878,046	1,926,858	2,005,686	2,053,944
Uniform School Supplies	70,804	55,287	62,068	53,810
Adult and Community Services	883,567	988,817	1,014,470	969,717
<i>Total Business-Type Activities Expenses</i>	<u>2,832,417</u>	<u>2,970,962</u>	<u>3,082,224</u>	<u>3,077,471</u>
<i>Total Primary Government Expenses</i>	<u>65,808,163</u>	<u>67,921,146</u>	<u>74,382,739</u>	<u>76,913,311</u>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
Regular Instruction	259,375	374,296	261,665	253,976
Special Instruction	644,434	983,980	669,364	1,024,544
Vocational Instruction	53,683	0	0	0
Pupil Support	4,156	4,603	3,526	5,199
Instructional Staff Support	97,617	104,775	102,104	132,912
Business	78,396	102,290	122,591	127,399
Operation and Maintenance of Plant	223,143	203,254	212,855	219,832
Pupil Transportation	36,278	37,641	31,300	37,418
Operation of Non-Instructional Services	10,183	10,009	20,757	2,043
Extracurricular Activities	320,055	364,149	359,102	370,245
<b>Operating Grants and Contributions</b>				
Regular Instruction	361,534	627,687	513,002	434,525
Special Instruction	338,711	297,811	332,058	336,570
Vocational Instruction	18	0	0	16,307
Adult/Continuing Instruction	66,241	24,584	38,826	280
Pupil Support	217,272	281,743	280,187	380,681
Instructional Staff Support	501,978	482,158	508,006	457,267
Administration	50,567	60,288	66,537	64,676
Operation and Maintenance of Plant	0	84	0	0
Pupil Transportation	747	969	1,603	817
Central	22,284	22,561	30,964	28,348
Operation of Non-Instructional Services	492,259	669,621	698,617	750,518
Extracurricular Activities	51,013	48,886	56,855	57,938
<b>Capital Grants and Contributions</b>				
Regular Instruction	719,948	61,943	274,690	8,937
Instructional Staff Support	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	55,111	61,146	61,476	60,865
Central	0	35,256	12,127	11,944
<i>Total Governmental Activities Program Revenues</i>	<u>\$4,605,003</u>	<u>\$4,859,734</u>	<u>\$4,658,212</u>	<u>\$4,783,241</u>



2003	2004	2005	2006
\$33,232,246	\$37,751,017	\$33,560,969	\$32,284,893
6,578,655	6,520,781	7,532,416	7,795,494
716,389	776,375	886,273	563,609
0	2,084	0	0
4,476,444	4,688,217	4,511,651	4,547,564
6,171,146	6,831,035	5,992,101	5,429,933
16,083	43,963	20,978	22,615
3,903,379	4,269,239	4,297,125	4,329,086
1,414,721	1,540,926	1,610,656	1,738,649
932,494	932,516	772,831	839,427
7,654,007	8,363,682	7,804,602	8,023,138
3,589,025	3,476,174	3,781,584	3,809,097
1,670,260	2,006,840	2,107,504	2,500,369
826,940	657,734	1,109,590	823,221
1,325,683	1,691,989	1,572,656	1,249,592
0	0	0	0
545,120	534,592	517,681	491,733
<u>73,052,592</u>	<u>80,087,164</u>	<u>76,078,617</u>	<u>74,448,420</u>
2,291,722	2,189,462	1,877,578	2,021,615
40,013	36,284	57,461	55,972
<u>1,003,407</u>	<u>1,023,773</u>	<u>936,500</u>	<u>1,197,969</u>
<u>3,335,142</u>	<u>3,249,519</u>	<u>2,871,539</u>	<u>3,275,556</u>
<u>76,387,734</u>	<u>83,336,683</u>	<u>78,950,156</u>	<u>77,723,976</u>
350,625	911,564	916,253	\$1,072,524
564,515	519,632	1,114,791	981,742
0	0	0	0
4,279	2,548	1,273	3,932
92,976	131,794	103,405	99,938
84,419	137,073	150,328	154,221
158,178	52,581	44,125	33,385
50,775	36,677	58,174	54,438
0	0	0	0
289,971	421,237	426,693	435,997
428,407	587,622	624,338	504,831
572,640	710,957	994,755	1,062,813
28,766	47,438	1,383	256
0	0	0	0
444,012	607,097	712,155	811,492
569,345	516,951	587,840	557,318
83,342	65,743	86,246	64,946
0	0	0	1,636
218,762	34,664	42,117	8,914
27,837	28,158	26,493	25,858
793,504	744,937	1,000,307	832,346
46,293	81,893	49,367	37,542
0	0	0	0
113,152	0	68,250	0
45,500	37,888	19,854	0
0	0	0	0
0	1,112	16,146	39,000
<u>\$4,967,298</u>	<u>\$5,677,566</u>	<u>\$7,044,293</u>	<u>\$6,783,129</u>

(continued)

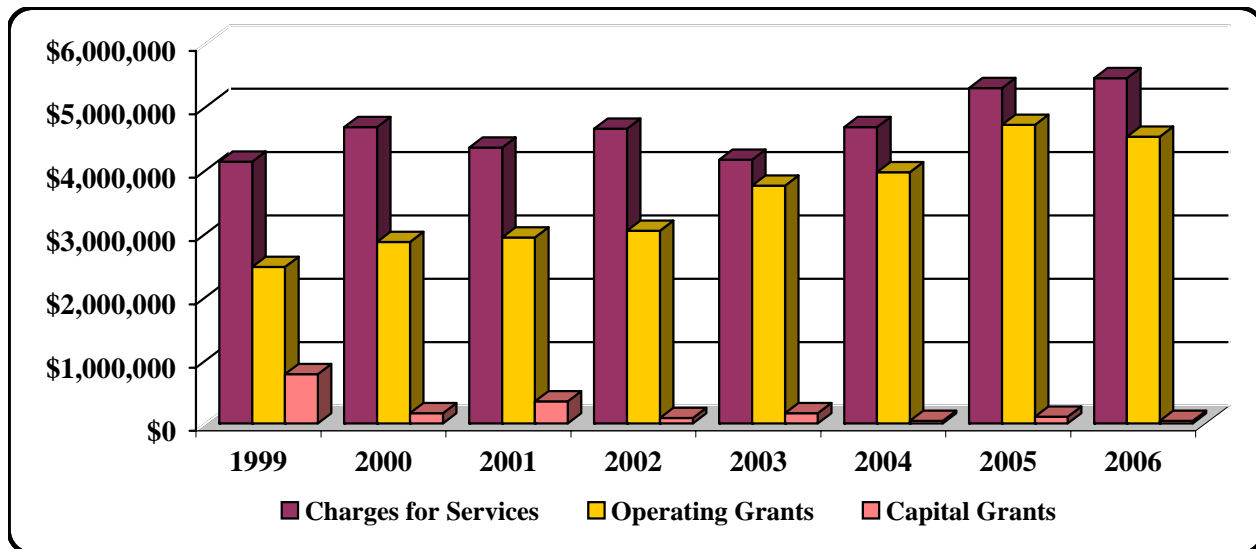
**Berea City School District**  
*Changes in Net Assets (continued)*  
*Last Eight Fiscal Years*  
*(accrual basis of accounting)*

	1999	2000	2001	2002
<b>Business-Type Activities:</b>				
Charges for Services:				
Food Service	\$1,491,687	\$1,547,485	\$1,608,963	\$1,496,808
Uniform School Supplies	69,511	63,425	60,908	41,195
Adult and Community Education	844,822	882,664	901,679	941,905
Operating Grants and Contributions				
Food Service	364,815	345,199	409,802	512,892
<i>Total Business-Type Activities Program Revenues</i>	<u>2,770,835</u>	<u>2,838,773</u>	<u>2,981,352</u>	<u>2,992,800</u>
<i>Total Primary Government Program Revenues</i>	<u>7,375,838</u>	<u>7,698,507</u>	<u>7,639,564</u>	<u>7,776,041</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(58,370,743)	(60,090,450)	(66,642,303)	(69,052,599)
Business-Type Activities	<u>(61,582)</u>	<u>(132,189)</u>	<u>(100,872)</u>	<u>(84,671)</u>
<i>Total Primary Government Net Expense</i>	<u>(58,432,325)</u>	<u>(60,222,639)</u>	<u>(66,743,175)</u>	<u>(69,137,270)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities:				
Property and Other Local Taxes Levied For:				
General Purposes	44,747,147	43,197,281	50,730,052	54,978,763
Debt Service	1,157,210	1,075,600	1,170,571	1,288,957
Capital Outlay	1,835,751	1,559,860	1,725,658	1,836,753
Grants and Entitlements not Restricted				
to Specific Programs	11,234,905	11,118,645	12,552,799	13,662,871
Payment in Lieu of Taxes	70,641	98,389	161,837	0
Unrestricted Contributions	7,351	0	0	0
Gain on Sale of Capital Assets	0	0	1,009,744	468,107
Investment Earnings	752,749	742,868	20,000	460,298
Miscellaneous	43,454	189,014	36,442	264,747
<i>Total Governmental Activities</i>	<u>59,849,208</u>	<u>57,981,657</u>	<u>67,407,103</u>	<u>72,960,496</u>
Business-Type Activities:				
Investment Earnings	19	30,632	33,898	13,450
Miscellaneous	40	54	100	3,011
<i>Total Business-Type Activities</i>	<u>59</u>	<u>30,686</u>	<u>33,998</u>	<u>16,461</u>
<i>Total Primary Government</i>	<u>59,849,267</u>	<u>58,012,343</u>	<u>67,441,101</u>	<u>72,976,957</u>
<b>Change in Net Assets</b>				
Governmental Activities	1,478,465	(2,108,793)	764,800	3,907,897
Business-Type Activities	<u>(61,523)</u>	<u>(101,503)</u>	<u>(66,874)</u>	<u>(68,210)</u>
<i>Total Primary Government Change in Net Assets</i>	<u>\$1,416,942</u>	<u>(\$2,210,296)</u>	<u>\$697,926</u>	<u>\$3,839,687</u>

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$1,474,696	\$1,411,480	\$1,346,640	1,416,408
40,958	49,695	52,895	52,647
1,052,129	1,003,513	1,078,185	1,143,813
<u>541,393</u>	<u>541,589</u>	<u>588,770</u>	<u>617,347</u>
<u>3,109,176</u>	<u>3,006,277</u>	<u>3,066,490</u>	<u>3,230,215</u>
<u>8,076,474</u>	<u>8,683,843</u>	<u>10,110,783</u>	<u>10,013,344</u>
(68,085,294)	(74,409,598)	(69,034,324)	(67,665,291)
<u>(225,966)</u>	<u>(243,242)</u>	<u>194,951</u>	<u>(45,341)</u>
<u>(68,311,260)</u>	<u>(74,652,840)</u>	<u>(68,839,373)</u>	<u>(67,710,632)</u>
47,972,554	56,243,592	55,412,839	\$53,447,973
1,071,618	1,299,561	1,320,217	1,191,290
1,463,284	1,648,807	1,621,200	1,610,840
13,068,487	14,713,414	14,482,803	15,490,950
0	0	0	0
0	0	8,085	0
0	0	0	0
188,228	136,001	248,725	744,402
<u>316,684</u>	<u>236,263</u>	<u>210,289</u>	<u>165,695</u>
<u>64,080,855</u>	<u>74,277,638</u>	<u>73,304,158</u>	<u>72,651,150</u>
6,994	4,115	5,543	16,636
0	0	9,848	7,963
<u>6,994</u>	<u>4,115</u>	<u>15,391</u>	<u>24,599</u>
<u>64,087,849</u>	<u>74,281,753</u>	<u>73,319,549</u>	<u>72,675,749</u>
(4,004,439)	(131,960)	4,269,834	4,985,859
<u>(218,972)</u>	<u>(239,127)</u>	<u>210,342</u>	<u>(20,742)</u>
<u>(\$4,223,411)</u>	<u>(\$371,087)</u>	<u>\$4,480,176</u>	<u>\$4,965,117</u>

**Berea City School District**  
*Program Revenues by Function/Program*  
*Last Eight Fiscal Years*  
*(accrual basis of accounting)*

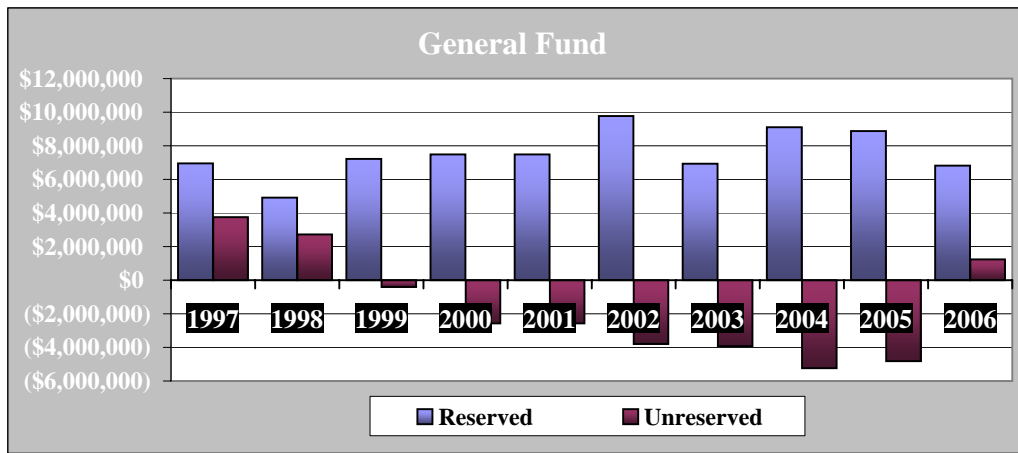
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Governmental Activities</b>				
Regular Instruction	\$1,340,857	\$1,063,926	\$1,049,357	\$697,438
Special Instruction	983,145	1,281,791	1,001,422	1,361,114
Vocational Instruction	53,701	0	0	16,307
Adult/Continuing Instruction	66,241	24,584	38,826	280
Pupil Support	221,428	286,346	283,713	385,880
Instructional Staff Support	599,595	586,933	610,110	590,179
Administration	50,567	60,288	66,537	64,676
Business	78,396	102,290	122,591	127,399
Operation and Maintenance of Plant	223,143	203,338	212,855	219,832
Pupil Transportation	92,136	99,756	94,379	99,100
Central	22,284	57,817	43,091	40,292
Operation of Non-Instructional Services	502,442	679,630	719,374	752,561
Extracurricular Activities	371,068	413,035	415,957	428,183
<i>Total Governmental Activities</i>	<u>4,605,003</u>	<u>4,859,734</u>	<u>4,658,212</u>	<u>4,783,241</u>
<b>Business-Type Activities</b>				
Food Service	1,859,502	1,892,684	2,018,765	2,009,700
Uniform School Supplies	69,511	63,425	60,908	41,195
Adult and Community Education	844,822	882,664	901,679	941,905
<i>Total Business-Type Activities</i>	<u>2,773,835</u>	<u>2,838,773</u>	<u>2,981,352</u>	<u>2,992,800</u>
<i>Total Primary Government</i>	<u><u>\$7,378,838</u></u>	<u><u>\$7,698,507</u></u>	<u><u>\$7,639,564</u></u>	<u><u>\$7,776,041</u></u>



<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
\$779,032	\$1,499,186	\$1,540,591	\$1,577,355
1,137,155	1,230,589	2,109,546	2,044,555
28,766	47,438	1,383	256
0	0	0	0
448,291	609,645	713,428	815,424
775,473	648,745	759,495	657,256
83,242	65,743	86,246	64,946
129,919	137,073	150,328	154,221
158,178	90,469	63,979	35,021
269,537	71,341	100,291	63,352
27,837	29,270	42,639	64,858
793,504	744,937	1,000,307	832,346
336,264	503,130	476,060	473,539
<b>4,967,198</b>	<b>5,677,566</b>	<b>7,044,293</b>	<b>\$6,783,129</b>
2,016,089	1,953,069	1,935,410	2,033,755
40,958	49,695	52,895	52,647
1,052,129	1,003,513	1,078,185	1,143,813
<b>3,109,176</b>	<b>3,006,277</b>	<b>3,066,490</b>	<b>3,230,215</b>
<b>\$8,076,374</b>	<b>\$8,683,843</b>	<b>\$10,110,783</b>	<b>\$10,013,344</b>

**Berea City School District**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Fund					
Reserved	\$4,187,518	\$3,543,477	\$6,079,063	\$5,357,559	\$6,452,235
Unreserved (Deficit)	4,273,292	3,417,632	(824,062)	(3,570,251)	(4,865,686)
<i>Total General Fund</i>	<u>8,460,810</u>	<u>6,961,109</u>	<u>5,255,001</u>	<u>1,787,308</u>	<u>1,586,549</u>
All Other Governmental Funds					
Reserved	2,759,496	1,363,608	1,138,337	1,201,937	1,039,276
Unreserved, Undesignated, Reported in:					
Special Revenue funds	411,967	565,804	338,396	590,154	442,306
Debt Service funds	520,222	510,323	538,863	640,630	751,991
Capital Projects funds (Deficit)	<u>(1,460,314)</u>	<u>(1,764,811)</u>	<u>(461,475)</u>	<u>(75,549)</u>	<u>1,093,369</u>
<i>Total All Other Governmental Funds</i>	<u>2,231,371</u>	<u>674,924</u>	<u>1,554,121</u>	<u>2,357,172</u>	<u>3,326,942</u>
<i>Total Governmental Funds</i>	<u>\$10,692,181</u>	<u>\$7,636,033</u>	<u>\$6,809,122</u>	<u>\$4,144,480</u>	<u>\$4,913,491</u>



<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
\$7,568,244	\$5,898,923	\$7,833,194	\$8,016,209	\$5,843,487
<u>(5,422,877)</u>	<u>(6,294,979)</u>	<u>(7,713,499)</u>	<u>(7,931,499)</u>	<u>(2,486,068)</u>
2,145,367	(396,056)	119,695	84,710	\$3,357,419
2,202,995	1,026,334	1,265,407	866,610	971,865
483,600	391,022	600,851	493,328	617,293
905,015	1,258,445	1,570,200	1,872,347	2,191,479
<u>238,417</u>	<u>718,335</u>	<u>304,250</u>	<u>751,238</u>	<u>921,786</u>
<u>3,830,027</u>	<u>3,394,136</u>	<u>3,740,708</u>	<u>3,983,523</u>	<u>4,702,423</u>
<u>\$5,975,394</u>	<u>\$2,998,080</u>	<u>\$3,860,403</u>	<u>\$4,068,233</u>	<u>\$8,059,842</u>

**Berea City School District**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years (1)*  
*(modified accrual basis of accounting)*

	1997	1998	1999	2000	2001
<b>Revenues</b>					
Taxes	\$46,701,920	\$45,255,176	\$47,740,108	\$45,832,741	\$52,182,145
Intergovernmental	12,211,533	13,116,068	14,018,580	13,656,012	15,234,294
Interest	1,138,272	1,102,064	729,351	723,544	1,005,985
Tuition and Fees	1,107,645	1,146,034	1,011,588	943,578	911,045
Extracurricular Activities	609,686	420,141	484,221	535,323	529,225
Payment in Lieu of Taxes	0	0	70,641	98,389	161,837
Rentals	159,545	166,313	223,143	188,421	213,429
Charges for Services	3,133	10,310	78,030	14,440	22,779
Contributions and Donations	87,481	154,527	89,585	130,475	207,470
Miscellaneous	105,098	386,654	43,454	162,215	69,306
<i>Total Revenues</i>	<u>62,124,313</u>	<u>61,757,287</u>	<u>64,488,701</u>	<u>62,285,138</u>	<u>70,537,515</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	26,100,943	28,943,088	29,356,082	27,435,354	29,918,386
Special	4,065,687	3,400,272	4,391,462	5,386,485	5,404,357
Vocational	498,285	438,641	543,317	424,944	533,760
Adult/Continuing	73,121	64,741	75,938	12,920	56,377
Support Services:					
Pupil	2,829,738	3,214,074	3,472,733	3,253,850	3,690,704
Instructional Staff	4,823,192	5,237,374	5,508,931	5,816,575	6,570,031
Board of Education	36,483	27,041	27,540	39,552	41,286
Administration	3,265,813	3,411,741	3,471,943	3,538,361	3,668,180
Fiscal	1,186,141	1,171,319	1,356,311	1,342,309	1,307,890
Business	860,090	872,065	924,106	824,504	1,082,213
Operation and Maintenance of Plant	6,876,512	7,108,016	7,277,633	8,395,640	8,404,779
Pupil Transportation	2,710,642	2,999,688	2,606,465	2,963,758	3,199,530
Central	971,485	911,451	953,300	1,126,049	1,330,705
Operation of Non-Instructional Services	487,342	449,712	597,269	624,239	781,129
Extracurricular Activities	1,248,584	1,264,580	1,329,481	1,404,696	1,544,442
Capital Outlay	1,609,684	3,872,203	1,686,387	1,434,938	1,251,527
Intergovernmental	178	2,998	7,514	8,704	262
Debt Service:					
Principal Retirement	2,002,135	577,255	350,000	395,000	410,000
Interest and Fiscal Charges	883,439	857,952	844,279	827,081	756,940
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>60,529,494</u>	<u>64,824,211</u>	<u>64,780,691</u>	<u>65,254,959</u>	<u>69,952,498</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,594,819</u>	<u>(3,066,924)</u>	<u>(291,990)</u>	<u>(2,969,821)</u>	<u>585,017</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	1,096	200	0	0	150,000
Proceeds of Bonds	0	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0	0
Notes Issued	0	0	0	0	0
Transfers In	410	0	0	7,400	7,400
Transfers Out	(410)	0	0	(7,400)	(7,400)
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,096</u>	<u>200</u>	<u>0</u>	<u>0</u>	<u>150,000</u>
<i>Net Change in Fund Balances</i>	<u>\$1,595,915</u>	<u>(\$3,066,724)</u>	<u>(\$291,990)</u>	<u>(\$2,969,821)</u>	<u>\$735,017</u>
Debt Service as a Percentage of Noncapital Expenditures	3.6%	1.0%	0.6%	0.6%	0.6%

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



2002	2003	2004	2005	2006
\$56,767,993	\$51,135,837	\$58,723,858	\$57,708,112	\$56,381,077
16,004,756	16,158,779	18,057,679	18,320,720	18,923,903
451,323	187,752	136,001	248,725	744,402
1,314,863	1,035,963	1,391,368	2,194,232	2,048,237
603,557	470,080	584,501	594,333	604,987
0	0	0	0	0
227,333	161,992	54,938	35,579	39,664
15,381	24,674	26,110	21,712	24,470
205,925	179,586	246,889	187,549	164,393
264,747	316,684	236,263	210,289	165,695
<u>75,855,878</u>	<u>69,671,347</u>	<u>79,457,607</u>	<u>79,521,251</u>	<u>79,096,828</u>
31,546,251	29,983,295	34,253,822	32,853,848	30,929,504
6,101,717	6,439,751	6,399,997	7,616,355	7,823,777
585,729	698,442	754,696	909,041	580,985
1,494	0	2,084	0	0
4,073,761	4,263,285	4,774,750	4,595,370	4,571,827
6,681,798	5,987,446	6,462,064	6,336,893	5,516,979
25,310	16,083	43,963	20,978	22,615
4,032,208	3,823,108	4,146,149	4,499,077	4,282,484
1,457,947	1,430,294	1,502,721	1,649,377	1,741,670
820,447	906,249	919,046	800,182	863,465
7,854,732	7,528,099	8,151,745	8,136,284	8,042,523
3,362,769	3,291,006	3,635,534	3,845,712	3,572,464
1,764,230	2,632,115	1,905,138	2,217,764	2,466,243
708,704	837,129	695,899	1,127,708	845,604
1,562,329	1,350,789	1,726,155	1,683,927	1,337,094
2,446,216	2,483,027	2,758,678	2,212,491	1,947,538
0	0	0	0	0
430,000	450,000	575,000	1,285,000	710,000
710,516	528,543	537,843	518,414	492,746
0	131,233	0	28,941	22,328
<u>74,166,158</u>	<u>72,779,894</u>	<u>79,245,284</u>	<u>80,337,362</u>	<u>75,769,846</u>
<u>1,689,720</u>	<u>(3,108,547)</u>	<u>212,323</u>	<u>(816,111)</u>	<u>3,326,982</u>
0	0	0	0	0
0	9,205,000	0	995,000	650,000
0	743,790	0	28,941	14,627
0	0	650,000	0	0
3,400	0	3,921	0	0
(3,400)	0	(3,921)	0	0
0	(9,817,557)	0	0	0
<u>0</u>	<u>131,233</u>	<u>650,000</u>	<u>1,023,941</u>	<u>664,627</u>
<u>\$1,689,720</u>	<u>(\$2,977,314)</u>	<u>\$862,323</u>	<u>\$207,830</u>	<u>\$3,991,609</u>
0.6%	0.8%	0.8%	1.7%	1.0%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value
1997	\$604,672,840	\$320,771,400	\$2,644,126,400	\$57,359,690	\$65,181,466
1998	666,729,810	336,973,220	2,867,722,943	56,081,630	63,729,125
1999	670,152,900	334,887,190	2,871,543,114	56,737,020	64,473,886
2000	675,787,270	352,028,040	2,936,615,171	55,967,350	63,599,261
2001	757,142,510	440,411,360	3,421,582,486	49,875,840	56,677,091
2002	759,904,840	456,852,990	3,476,450,943	46,168,740	52,464,477
2003	766,800,810	457,745,840	3,498,704,714	38,752,080	44,036,455
2004	836,195,680	471,743,040	3,736,967,771	38,647,280	43,917,364
2005	839,907,310	474,268,410	3,754,787,771	38,663,990	43,936,352
2006	853,930,000	475,539,580	3,798,484,514	34,603,350	39,321,989

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

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Tangible Personal Property		Total		
General Business				
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$278,548,460	\$1,114,193,840	\$1,261,352,390	\$3,823,501,706	57.90
261,930,469	1,047,721,876	1,321,715,129	3,979,173,944	57.90
247,826,803	991,307,212	1,309,603,913	3,927,324,213	37.33
244,299,461	977,197,844	1,328,082,121	3,977,412,277	43.03
235,165,084	940,660,336	1,482,594,794	4,418,919,913	38.69
211,623,911	846,495,644	1,474,550,481	4,375,411,064	38.19
199,438,922	797,755,688	1,462,737,652	4,340,496,857	43.81
187,459,887	815,042,987	1,534,045,887	4,595,928,122	41.46
192,551,284	837,179,496	1,545,390,994	4,635,903,619	41.49
196,962,702	856,359,574	1,561,035,632	4,888,274,247	41.43

**Berea City School District**  
*Property Tax Rates*  
(per \$1,000 of assessed value)  
*Last Ten Years (1)*

	1997	1998	1999	2000
<b>Unvoted Millage</b>				
Operating	<u>\$4.05</u>	<u>\$4.05</u>	<u>\$4.05</u>	<u>\$4.05</u>
<b>Voted Millage - by levy</b>				
1976 Operating - continuing				
Effective Millage Rates:				
Residential/Agricultural Rea	31.40	31.40	8.43	8.44
Commercial/Industrial and Public Utility Rea	31.40	31.40	16.17	15.99
General Business and Public Utility Persona	31.40	31.40	31.40	31.40
1985 Operating - continuing				
Effective Millage Rates:				
Residential/Agricultural Rea	6.90	6.90	3.76	3.76
Commercial/Industrial and Public Utility Rea	6.90	6.90	4.78	4.73
General Business and Public Utility Persona	6.90	6.90	6.90	6.90
1991 Operating - continuing				
Effective Millage Rates:				
Residential/Agricultural Rea	6.90	6.90	4.52	4.53
Commercial/Industrial and Public Utility Rea	6.90	6.90	5.51	5.45
General Business and Public Utility Persona	6.90	6.90	6.90	6.90
1994 Operating - continuing				
Effective Millage Rates:				
Residential/Agricultural Rea	5.90	5.90	4.65	4.65
Commercial/Industrial and Public Utility Rea	5.90	5.90	5.28	5.22
General Business and Public Utility Persona	5.90	5.90	5.90	5.90
2000 Operating - continuing				
Effective Millage Rates:				
Residential/Agricultural Rea	0.00	0.00	0.00	5.90
Commercial/Industrial and Public Utility Rea	0.00	0.00	0.00	5.83
General Business and Public Utility Persona	0.00	0.00	0.00	5.90
2002 Operating - continuing				
Effective Millage Rates:				
Residential/Agricultural Rea	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Rea	0.00	0.00	0.00	0.00
General Business and Public Utility Persona	0.00	0.00	0.00	0.00
1992 Bond Levy (debt service)	0.85	0.85	0.95	0.95
1976 Permanent Improvement Continuin				
Effective Millage Rates:				
Residential/Agricultural Rea	0.90	0.90	0.24	0.24
Commercial/Industrial and Public Utility Rea	0.90	0.90	0.46	0.46
General Business and Public Utility Persona	0.90	0.90	0.90	0.90
1996 Permanent Improvement Continuin				
Effective Millage Rates:				
Residential/Agricultural Rea	1.00	1.00	0.91	0.91
Commercial/Industrial and Public Utility Rea	1.00	1.00	0.98	0.97
General Business and Public Utility Persona	1.00	1.00	1.00	1.00
<b>Total voted millage by type of property</b>				
Residential/Agricultural Rea	53.85	53.85	23.46	29.38
Commercial/Industrial and Public Utility Rea	53.85	53.85	34.13	39.60
General Business and Public Utility Persona	53.85	53.85	53.95	59.85
<b>Total millage by type of property</b>				
Residential/Agricultural Rea	57.90	57.90	27.51	33.43
Commercial/Industrial and Public Utility Rea	57.90	57.90	38.18	43.65
General Business and Public Utility Persona	57.90	57.90	58.00	63.90
<b>Overlapping Rates by Taxing Distric</b>				
Berea City				
Effective Millage Rates:				
Residential/Agricultural Rea	\$17.80	\$17.80	\$13.85	\$13.85
Commercial/Industrial and Public Utility Rea	17.80	17.80	14.86	14.82
General Business and Public Utility Persona	17.80	17.80	17.70	17.70
Middleburg Heights City				
Effective Millage Rates:				
Residential/Agricultural Rea	5.60	5.60	4.89	4.89
Commercial/Industrial and Public Utility Rea	5.60	5.60	5.10	5.10
General Business and Public Utility Persona	5.60	5.60	5.60	5.60
Brook Park City				
Effective Millage Rates:				
Residential/Agricultural Rea	5.50	5.50	4.47	4.78
Commercial/Industrial and Public Utility Rea	5.50	5.50	4.49	4.79
General Business and Public Utility Persona	5.50	5.50	4.50	4.80
Cuyahoga County				
Effective Millage Rates:				
Residential/Agricultural Rea	18.00	18.00	13.98	14.24
Commercial/Industrial and Public Utility Rea	18.00	18.00	15.19	15.27
General Business and Public Utility Persona	18.00	18.00	16.70	16.70
Polaris J.V.S.D.				
Effective Millage Rates:				
Residential/Agricultural Rea	2.40	2.40	2.00	2.00
Commercial/Industrial and Public Utility Real	2.40	2.40	2.01	2.00
General Business and Public Utility Personal	2.40	2.40	2.40	2.40

The rates presented for a particular calendar year are the rates that, when applied to the assessed value presented on S14 and S15, generated the property tax revenue to be received in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

2001	2002	2003	2004	2005	2006
\$4.05	\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
7.59	7.59	7.58	6.98	6.97	6.94
13.11	13.11	13.14	12.64	12.61	12.79
31.40	31.40	31.40	31.40	31.40	31.40
3.39	3.39	3.38	3.11	3.11	3.10
3.88	3.88	3.88	3.74	3.73	3.78
6.90	6.90	6.90	6.90	6.90	6.90
4.07	4.07	4.07	3.74	3.74	3.73
4.46	4.46	4.48	4.31	4.30	4.36
6.90	6.90	6.90	6.90	6.90	6.90
4.18	4.18	4.18	3.85	3.84	3.83
4.28	4.28	4.29	4.13	4.12	4.18
5.90	5.90	5.90	5.90	5.90	5.90
5.31	5.31	5.30	4.88	4.87	4.86
4.78	4.78	4.79	4.61	4.60	4.67
5.90	5.90	5.90	5.90	5.90	5.90
0.00	0.00	5.89	5.42	5.42	5.40
0.00	0.00	5.90	5.68	5.66	5.74
0.00	0.00	5.90	5.90	5.90	5.90
0.85	0.85	0.95	0.95	0.95	0.85
0.21	0.21	0.21	0.19	0.19	0.19
0.38	0.38	0.38	0.36	0.36	0.37
0.90	0.90	0.90	0.90	0.90	0.90
0.82	0.82	0.82	0.75	0.75	0.75
0.79	0.79	0.80	0.77	0.76	0.77
1.00	1.00	1.00	1.00	1.00	1.00
26.42	26.42	32.38	29.87	29.84	29.65
32.53	32.53	38.61	37.19	37.09	37.51
59.75	59.75	65.75	65.75	65.75	65.65
30.47	30.47	36.43	33.92	33.89	33.70
36.58	36.58	42.66	41.24	41.14	41.56
63.80	63.80	69.80	69.80	69.80	69.70
\$13.52	\$13.52	\$13.62	\$13.42	\$13.53	\$13.42
14.23	14.23	14.33	14.11	14.21	14.10
17.60	17.50	17.60	17.50	17.60	17.50
4.86	4.86	4.71	4.69	4.69	4.69
5.02	5.02	4.87	4.87	4.87	4.89
5.60	5.60	5.45	5.45	5.45	5.45
4.74	4.74	4.74	4.72	4.72	4.72
4.70	4.70	4.70	4.69	4.68	4.68
4.80	4.80	4.80	4.80	4.80	4.80
13.92	13.92	15.00	15.67	17.16	17.90
14.53	14.53	15.43	17.11	18.38	19.02
17.60	17.60	17.60	19.27	20.17	20.17
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.01
2.40	2.40	2.40	2.40	2.40	2.40

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1996	\$48,350,805	\$47,694,375	98.64 %	\$1,492,700	\$49,187,075	101.73 %
1997	48,689,899	47,755,145	98.08	1,211,905	48,967,050	100.57
1998	48,638,195	47,163,054	96.97	1,899,015	49,062,069	100.87
1999	55,468,842	50,407,727	90.88	1,976,163	52,383,890	94.44
2000	56,319,028	54,967,090	97.60	1,193,856	56,160,946	99.72
2001	56,241,838	55,145,121	98.05	2,793,094	57,938,215	103.02
2002	54,964,669	53,379,661	97.12	2,691,726	56,071,387	102.01
2003	63,905,367	60,780,220	95.11	1,629,038	62,409,258	97.66
2004	51,390,588	48,296,567	93.98	1,323,385	49,619,952	96.55
2005	69,188,551	61,427,371	88.78	2,369,305	63,796,676	92.21

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue
- (2) The 2006 information cannot be presented because all collections have not been made by June 30, 2006.
- (3) The County does not identify delinquent tax collections by tax year

**Berea City School District**

*Principal Taxpayers*

*Real Estate Tax*

*2005 and 1996 (1)*

Name of Taxpayer	December 31, 2005	
	Assessed Value	Percent of Real Property Assessed Value
Cleveland Port Authority	\$73,928,500	5.56 %
Ford Motor Company	19,387,250	1.46
Southland Store Company	14,450,420	1.09
Islander Company	13,478,390	1.01
MWP Company	8,190,540	0.62
Techpark Ltd. Partnership	6,691,860	0.50
Park 'N' Fly	7,208,880	0.54
Robert Amsdell	5,911,250	0.44
Ozre Lodging LLC	4,982,260	0.37
BrookGate Associates LLC	4,611,060	0.35
Tower in the Park	4,027,980	0.30
Sears Roebuck	4,024,720	0.30
Totals	<u>\$166,893,110</u>	<u>12.55 %</u>
Total Assessed Valuation	<u>\$1,329,469,580</u>	

Name of Taxpayer	December 31, 1996	
	Assessed Value	Percent of Real Property Assessed Value
Ford Motor Company	\$33,975,690	3.71 %
Cleveland Port Authority	18,108,790	1.98
Techpark Ltd. Partnership	9,263,810	1.01
Islander Company	8,651,640	0.94
Dominick and Tom Visconsi	7,570,960	0.83
Brookpark Community Urban Redevelopment Corporation	6,812,440	0.74
Southwest General Hospital	4,608,630	0.50
Sears Roebuck	4,541,430	0.50
S & W Realty	3,640,030	0.40
Tower In The Park LTD.	3,467,620	0.38
Totals	<u>\$100,641,040</u>	<u>10.98 %</u>
Total Assessed Valuation	<u>\$916,893,061</u>	

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

(1) The amounts presented are the assessed values upon which 2005 and 1996 collections were based.

**Berea City School District**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*2005 and 1996 (1)*

Name of Taxpayer	December 31, 2005	
	Assessed Value	Percent of Tangible Assessed Value
Ford Motor Company	\$33,290,000	16.90 %
Marc Glassman Inc.	10,368,380	5.26
Thyssenkrupp Materials Inc.	3,988,430	2.02
Codonics Inc.	3,495,480	1.77
Sunnyside Automotive Inc.	2,648,010	1.34
KW #1 Acquisition Company	2,449,920	1.24
Foseco Metallurgical Inc.	1,650,310	0.84
Metro Imports Inc.	1,632,430	0.83
Colormatrix Corp.	1,590,440	0.81
Varbros LLC	1,558,500	0.79
Totals	<u>\$62,671,900</u>	<u>31.82 %</u>
Total Assessed Valuation	<u>\$196,962,702</u>	

Name of Taxpayer	December 31, 1996	
	Assessed Value	Percent of Tangible Assessed Value
Ford Motor Company	\$134,651,810	51.79 %
Marc Glassman Inc.	6,042,160	2.32
Computer Leasing, Inc.	4,704,750	1.81
BF Goodrich	4,517,180	1.74
Penton Publishing	4,314,260	1.66
Foseco Incorporated	3,413,520	1.31
Skwellman Corp.	3,203,110	1.23
IBM Credit Corp.	2,648,090	1.02
Goodyear Tire	2,632,300	1.01
Cargill Leasing Corp.	2,489,750	0.96
Totals	<u>\$168,616,930</u>	<u>64.86 %</u>
Total Assessed Valuation	<u>\$259,983,771</u>	

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



**Berea City School District**  
*Principal Taxpayers*  
*Public Utility Personal Property Tax*  
*2005 and 1996 (1)*

Name of Taxpayer	December 31, 2005	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$17,328,920	50.08 %
Ohio Bell Telephone	5,328,570	15.40
American Transmission System	2,535,700	7.33
Columbia Gas	2,110,170	6.10
East Ohio Gas	888,780	2.57
Totals	<u>\$28,192,140</u>	<u>81.47 %</u>
Total Assessed Valuation	<u>\$34,603,350</u>	

Name of Taxpayer	December 31, 1996	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$23,674,150	41.11 %
Ohio Bell Telephone	18,065,230	31.37
Columbia Gas	5,452,950	9.47
East Ohio Gas Company	1,853,210	3.22
Totals	<u>\$49,045,540</u>	<u>85.18 %</u>
Total Assessed Valuation	<u>\$57,581,770</u>	

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

(1) The amounts presented are the assessed values upon which 2005 and 1996 collections were based.

**Berea City School District**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2006*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Berea City School District			
General Obligation Bonds	\$ 11,128,758	100.00 %	\$ 11,128,758
Overlapping:			
Cuyahoga County			
General Obligation Bonds	224,406,000	5.04	11,310,062
Revenue Bonds	109,950,000	5.04	5,541,480
Capital Lease Obligations	8,387,000	5.04	422,705
Loans Payable	2,776,000	5.04	139,910
Regional Transit Authority			
General Obligation Bonds	139,790,000	5.04	7,045,416
Berea City			
General Obligation Bonds	9,528,023	21.70	2,067,581
Urban Renewal Bonds	1,395,000	21.70	302,715
Notes Payable	5,800,000	21.70	1,258,600
Brookpark City			
General Obligation Bonds	1,675,424	36.40	609,854
Middleburg Heights City			
General Obligation Bonds	18,110,804	5.04	912,785
Special Assessment Bonds	1,763,243	5.04	88,867
Total Overlapping	<u>523,581,494</u>		<u>29,699,976</u>
Total	<u>\$534,710,252</u>		<u>\$40,828,734</u>

Source: Cuyahoga 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 2005 collection year.

**Berea City School District**  
*Ratio of Outstanding Debt By Type*  
*Last Seven Fiscal Years (1)*

Governmental Activities			
Fiscal Year	General Obligation Bonds	Percentage of Average Personal Income	Per Capita
2000	\$12,555,000	0.33%	\$225.28
2001	12,145,000	0.32	217.93
2002	11,715,000	0.31	210.21
2003	11,265,000	0.30	202.14
2004	10,690,000	0.28	190.30
2005	11,050,000	0.29	193.82
2006	10,990,000	0.29	192.77

Source 2000 U.S. Census Bureau

(1) Information prior to 2000 not available

**Berea City School District**  
*Computation of Legal Debt Margin*  
*Last Ten Fiscal Years*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Assessed Valuation (1)	<u>\$1,261,352,390</u>	<u>\$1,321,715,129</u>	<u>\$1,309,603,913</u>	<u>\$1,328,082,121</u>	<u>\$1,482,594,794</u>
Debt Limit - 9% of Assessed Value (2)	113,521,715	118,954,362	117,864,352	119,527,391	133,433,531
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	13,600,000	13,300,000	12,950,000	12,555,000	12,145,000
Notes	0	1,350,000	1,775,000	450,000	0
Less Amount Available in Debt Service	<u>(569,940)</u>	<u>(551,969)</u>	<u>(678,934)</u>	<u>(726,134)</u>	<u>(854,526)</u>
Total	13,030,060	14,098,031	14,046,066	12,278,866	11,290,474
Exemptions:					
Tax Anticipation Note	0	1,350,000	900,000	0	0
Energy Conservation Note	<u>0</u>	<u>0</u>	<u>875,000</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>13,030,060</u>	<u>12,748,031</u>	<u>12,271,066</u>	<u>12,278,866</u>	<u>11,290,474</u>
Overall Debt Margin	<u>\$100,491,655</u>	<u>\$106,206,331</u>	<u>\$105,593,286</u>	<u>\$107,248,525</u>	<u>\$122,143,057</u>
Debt Margin - .10% of Assessed Value (1)	\$1,261,352	\$1,321,715	\$1,309,604	\$1,328,082	\$1,482,595
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,261,352</u>	<u>\$1,321,715</u>	<u>\$1,309,604</u>	<u>\$1,328,082</u>	<u>\$1,482,595</u>

**Source:** Cuyahoga County Auditor and School District Financial Records

- (1) For fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<u>\$1,474,550,481</u>	<u>\$1,462,737,652</u>	<u>\$1,534,045,887</u>	<u>\$1,545,390,994</u>	<u>\$1,350,834,710</u>
132,709,543	131,646,389	138,064,130	139,085,189	121,575,124
11,715,000	11,265,000	10,690,000	11,050,000	10,990,000
0	0	650,000	0	0
<u>(1,093,853)</u>	<u>(1,369,601)</u>	<u>(1,732,481)</u>	<u>(2,044,510)</u>	<u>(2,321,386)</u>
10,621,147	9,895,399	9,607,519	9,005,490	8,668,614
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
10,621,147	9,895,399	9,607,519	9,005,490	8,668,614
<u>\$122,088,396</u>	<u>\$121,750,990</u>	<u>\$128,456,611</u>	<u>\$130,079,699</u>	<u>\$112,906,510</u>
\$1,474,550	\$1,462,738	\$1,534,046	\$1,545,391	\$1,350,835
0	0	0	0	0
<u>\$1,474,550</u>	<u>\$1,462,738</u>	<u>\$1,534,046</u>	<u>\$1,545,391</u>	<u>\$1,350,835</u>

**Berea City School District**  
*Ratio of Debt*  
*to Assessed Value and Debt per Capita*  
*Last Ten Fiscal Years*

Fiscal Year	Population (1)		Estimated Actual Value of Taxable Property(2)	General Bonded Debt			Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
				General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt		
1997	62,590	a	\$3,823,501,706	\$13,600,000	\$569,940	\$13,030,060	0.34	\$208.18
1998	62,590	a	3,979,173,944	13,300,000	551,969	12,748,031	0.32	203.68
1999	63,986	a	3,927,324,213	12,950,000	678,934	12,271,066	0.31	191.78
2000	59,420	a	3,977,412,277	12,555,000	726,134	11,828,866	0.30	199.07
2001	55,730	b	4,418,919,913	12,145,000	854,526	11,290,474	0.26	202.59
2002	55,730	b	4,375,411,064	11,715,000	1,093,853	10,621,147	0.24	190.58
2003	55,730	b	4,340,496,857	11,394,046	1,369,601	10,024,445	0.23	179.88
2004	56,174	b	4,595,928,122	10,810,298	1,732,481	9,077,817	0.20	161.60
2005	57,012	b	4,635,903,619	11,187,275	2,044,510	9,142,765	0.20	160.37
2006	57,012	b	4,888,274,247	11,128,758	2,321,386	8,807,372	0.18	154.48

**Sources:** (1) U.S. Bureau of Census, Census of Population  
(a) 1990 Federal Census  
(b) 2000 Federal Census

(2) Cuyahoga County Auditor

**Berea City School District**  
*Demographic and Economic Statistics*  
*Last Seven Years (1)*

Year	Population (2)	Average Personal Income (3)	Per Capita Personal Income	Median Household Income	Median Age	Unemployment Rate (4)
2000	59,420	\$3,996,529,780	\$67,259	\$46,642	39.8	5.0%
2001	55,730	3,748,344,070	67,259	46,642	39.8	4.3
2002	55,730	3,748,344,070	67,259	46,642	39.8	6.0
2003	55,730	3,748,344,070	67,259	46,642	39.8	6.0
2004	56,174	3,778,207,066	67,259	46,642	39.8	6.6
2005	57,012	3,834,570,108	67,259	46,642	39.8	6.6
2006	57,012	3,834,570,108	67,259	46,642	39.8	5.6

- (1) Information prior to 2000 not available
- (2) U.S. Census Bureau
- (3) Cities of Berea, Middleburg Heights and Brook Park
- (4) Represents Cuyahoga County

**Berea City School District**  
*Building Statistics by Function/Program*  
*Last Two Fiscal Years*

	2006	2005
<b>Big Creek Elementary School</b>		
Constructed in 1954		
Total Building Square Footage	116,620	116,620
Enrollment Grades K-6	814	798
Student Capacity	1,010	1,010
Regular Instruction Classrooms	49	49
Regular Instruction Teachers	35	43
Special Instruction Teachers	5	7
<b>Brookpark Elementary School</b>		
Constructed in 1956		
Total Building Square Footage	96,900	96,900
Enrollment Grades K-6	718	649
Student Capacity	836	836
Regular Instruction Classrooms	56	56
Regular Instruction Teachers	30	39
Special Instruction Teachers	5	6
<b>Brookview Elementary School</b>		
Constructed in 1965		
Total Building Square Footage	53,400	53,400
Enrollment Grades K-6	480	492
Student Capacity	437	437
Regular Instruction Classrooms	31	31
Regular Instruction Teachers	25	27
Special Instruction Teachers	5	4
<b>Fairwood Elementary School</b>		
Constructed in 1948		
Total Building Square Footage	51,876	51,876
Enrollment Grades 7-12	367	364
Student Capacity	419	419
Regular Instruction Classrooms	26	26
Regular Instruction Teachers	18	19
Special Instruction Teachers	3	3
<b>Parknoll Elementary School</b>		
Constructed in 1961		
Total Building Square Footage	41,746	41,746
Enrollment Grades K-5	257	275
Student Capacity	334	334
Regular Instruction Classrooms	24	24
Regular Instruction Teachers	14	15
Special Instruction Teachers	3	3
<b>Riveredge Elementary School</b>		
Constructed in 1960		
Total Building Square Footage	44,384	44,384
Enrollment Grades K-6	241	263
Student Capacity	355	355
Regular Instruction Classrooms	25	25
Regular Instruction Teachers	15	18
Special Instruction Teachers	2	4

(continued)



**Berea City School District**  
*Building Statistics by Function/Program (continued)*  
*Last Two Fiscal Years*

	2006	2005
<b>Smith Elementary School</b>		
Constructed in 1966		
Total Building Square Footage	42,000	42,000
Enrollment Grades K-6	220	229
Student Capacity	336	336
Regular Instruction Classrooms	21	21
Regular Instruction Teachers	11	13
Special Instruction Teachers	2	2
<b>Ford Middle School</b>		
Constructed in 1961		
Total Building Square Footage	165,800	165,800
Enrollment Grades 6-8	1,094	1,091
Student Capacity	1,175	1,175
Regular Instruction Classrooms	66	66
Regular Instruction Teachers	54	59
Special Instruction Teachers	11	11
<b>Roehm Middle School</b>		
Constructed in 1956		
Total Building Square Footage	133,804	133,804
Enrollment Grades 6-8	665	749
Student Capacity	1,163	1,163
Regular Instruction Classrooms	47	47
Regular Instruction Teachers	33	38
Special Instruction Teachers	8	9
<b>Berea High School</b>		
Constructed in 1928		
Total Building Square Footage	264,266	264,266
Enrollment Grades 9-12	1,261	1,254
Student Capacity	1,582	15,852
Regular Instruction Classrooms	67	67
Regular Instruction Teachers	55	54
Special Instruction Teachers	12	14
<b>Midpark High School</b>		
Constructed in 1962		
Total Building Square Footage	236,563	236,563
Enrollment Grades 9-12	1,409	1,347
Student Capacity	1,418	1,418
Regular Instruction Classrooms	55	55
Regular Instruction Teachers	60	61
Special Instruction Teachers	11	12

**Berea City School District**  
*Principal Employers*  
*Current Year and Five Years Ago (1)*

		2005		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Ford Motor Company	Automobile	3,535	1	21.58%
NASA	Government	3,000	2	17.21
Southwest General Hospital	Hospital	2,915	3	16.72
United Parcel Service	Delivery	2,472	4	14.18
Baldwin Wallace College	Higher Education	1,258	5	7.22
Berea City School District	Education	1,043	6	5.98
Berea Children's Home	Treatment Facility	722	7	4.14
Sears Roebuck & Company	Retail	605	8	3.47
City of Middleburg Heights	Municipal Government	438	9	2.51
Transamerica Holdings	Financial	395	10	2.27
Total		<u>16,383</u>		
Total Employment within the School District		<u>67,846</u>		

		2000		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Ford Motor Company	Automobile	3,800	1	23.19%
NASA	Government	3,600	2	21.97
Southwest General Hospital	Hospital	2,849	3	17.39
United Parcel Service	Delivery	2,555	4	15.60
Sears Roebuck & Company	Retail	1,360	5	8.30
Berea City School District	Education	1,100	6	6.71
Baldwin Wallace College	Higher Education	953	7	5.82
Berea Children's Home	Treatment Facility	695	8	4.24
Marc Glassman	Warehouse	635	9	3.88
City of Middleburg Heights	Municipal Government	457	10	2.79
Total		<u>18,004</u>		
Total Employment within the School District		<u>75,430</u>		

Sources: Cities of Brookpark and Middleburg Heights, Ohio; Local businesses

(1) Information prior to 2000 is not available.

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

Fiscal Year	Expenses	Enrollment (1)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
1999	\$62,975,746	7,869	\$8,003	NA	522	18.2
2000	64,950,184	7,829	8,296	(3.53)	524	17.7
2001	71,300,515	7,670	9,296	(10.76)	507	18.2
2002	73,835,840	7,714	9,572	(2.88)	612	16.8
2003	73,052,592	7,597	9,616	(0.46)	538	16.4
2004	80,087,164	7,630	10,496	(8.39)	538	17.7
2005	76,078,617	7,511	10,129	3.63	532	18.2
2006	74,448,420	7,526	9,892	2.39	535	18.5

Source: School District Records

(1) Based upon EMIS information provided to the Ohio Department of Education

**Berea City School District**  
*Full-Time Equivalent School District Teachers by Education*  
*Last Ten Fiscal Years*

Degree	1997	1998	1999	2000	2001
Bachelor's Degree	129	134	72	137	103
Bachelor + 15	52	59	87	35	46
Bachelor + 30	77	80	69	85	82
Master's Degree	194	201	212	208	237
Master + 15	16	4	28	28	27
Master + 30	15	8	7	7	4
PhD	16	11	26	22	25
Total	499	497	501	522	524

Source: School District Records

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<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
96	41	65	82	56
46	53	18	14	19
95	45	38	35	27
218	292	272	313	254
27	96	93	29	89
4	42	24	22	51
<u>21</u>	<u>43</u>	<u>28</u>	<u>37</u>	<u>39</u>
<u>507</u>	<u>612</u>	<u>538</u>	<u>532</u>	<u>535</u>

**Berea City School District**  
*Average Number of Students per Teacher*  
*Last Eight School Years*

Fiscal Year	Berea Average	State Average
1999	18.2	18.6
2000	17.7	18.1
2001	18.2	18.0
2002	16.8	16.9
2003	16.4	16.6
2004	17.7	18.5
2005	18.2	18.5
2006	18.5	18.6

Source: Ohio Department of Education, EMIS Reports

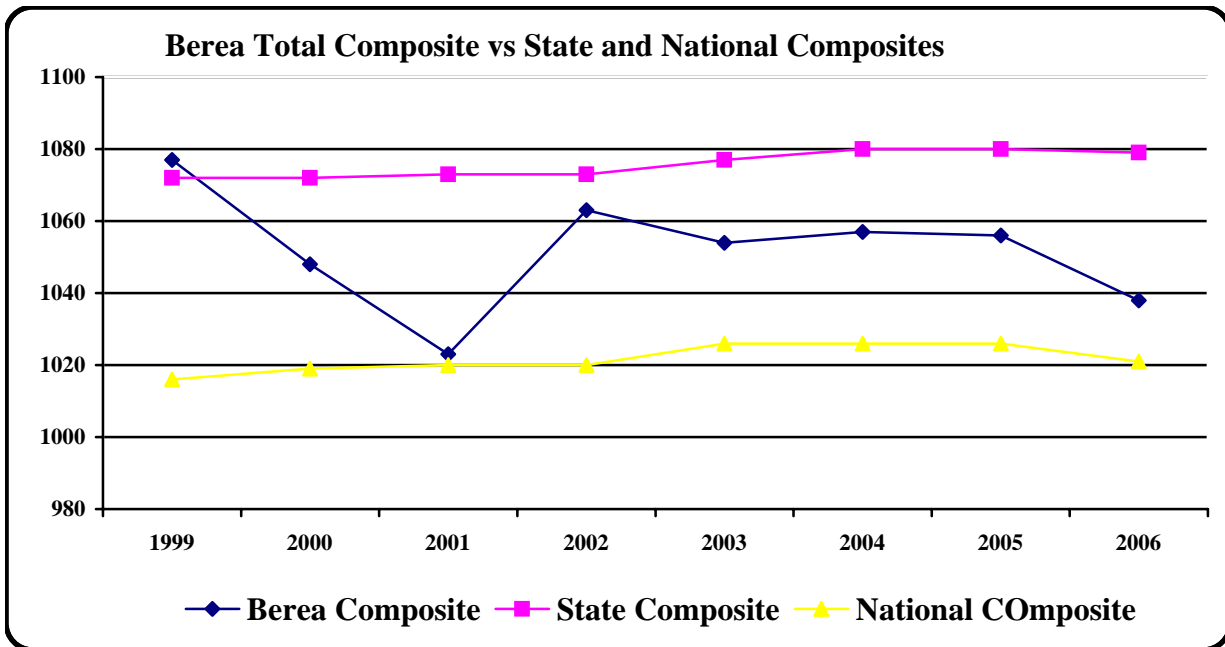
**Berea City School District**  
*Attendance and Graduation Rates*  
*Last Nine School Years*

Fiscal Year	Berea Attendance Rate	State Average	Berea Graduation Rate	State Average
1998	93.80%	93.90%	84.30%	79.90%
1999	94.20	93.50	86.50	81.40
2000	97.20	93.60	86.30	80.70
2001	94.70	93.90	87.80	81.20
2002	95.00	94.30	88.90	82.80
2003	94.90	94.50	94.20	83.90
2004	95.30	94.50	94.00	84.30
2005	95.20	94.30	94.00	85.90
2006	95.00	94.10	93.00	86.20

Source: Ohio Department of Education Local Report Cards

**Berea City School District**  
*SAT Scores*  
*Last Eight Fiscal Years*

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Berea Verbal	Ohio Verbal	National Verbal
1999	190	116	61.05 %	532	534	505
2000	216	115	53.24	518	533	505
2001	212	123	58.02	512	534	506
2002	200	108	54.00	529	533	504
2003	209	101	48.33	526	536	507
2004	279	143	51.25	528	538	508
2005	196	99	50.51	523	538	508
2006	225	114	50.67	514	535	503





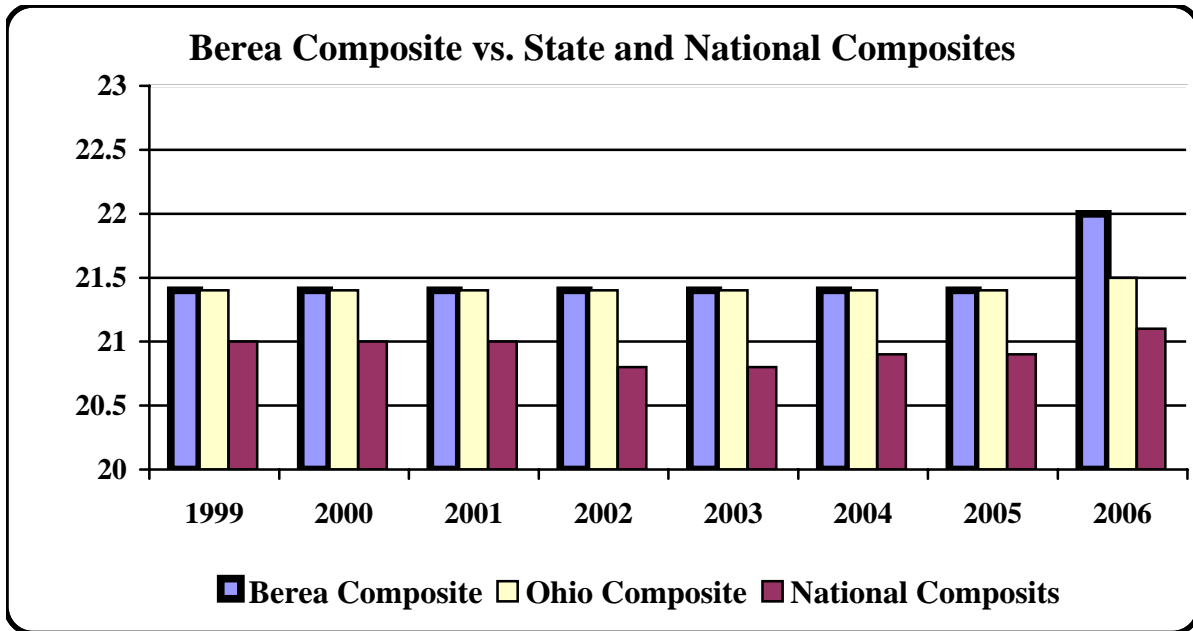
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<b>Berea Math</b>	<b>Ohio Math</b>	<b>National Math</b>
545	538	511
530	539	514
511	539	514
534	540	516
528	541	519
529	542	518
533	542	518
524	544	518

**Berea City School District**  
*ACT Composite Scores*  
*Last Eight School Years*

<b>School Year</b>	<b>Number of Test Takers</b>	<b>Number of Seniors</b>	<b>Percent of Students</b>	<b>Berea Composite</b>	<b>Ohio Composite</b>	<b>National Composite</b>
1999	301	192	63.79 %	21.4	21.4	21.0
2000	357	257	71.99	21.4	21.4	21.0
2001	318	224	70.44	21.4	21.4	21.0
2002	335	209	62.39	21.4	21.4	20.8
2003	329	196	59.57	21.4	21.4	20.8
2004	336	189	56.25	21.4	21.4	20.9
2005	295	170	57.63	21.4	21.4	20.9
2006	296	NA	NA	22.0	21.5	21.1



Source: High School Guidance Office,  
 Berea City School District

**Berea City School District**  
*School District Employees by Function/Program*  
*Last Three Fiscal Years*

Function/Program	2006	2005	2004
<b>Regular Instruction</b>			
Elementary Classroom Teachers	168.00	189.00	172.00
Middle School Classroom Teachers	98.00	105.00	98.00
High School Classroom Teachers	120.00	122.00	117.50
<b>Special Instruction</b>			
Elementary Classroom Teachers	26.50	24.50	28.00
Gifted Education Teachers	4.00	5.50	5.50
Middle School Classroom Teachers	34.00	31.00	31.00
High School Classroom Teachers	22.00	22.50	26.00
<b>Vocational Instruction</b>			
High School Classroom Teachers	6.00	5.50	8.00
<b>Pupil Support Services</b>			
Guidance Counselors	17.00	17.00	18.00
Librarians	8.00	9.00	9.00
Psychologists	3.00	3.00	3.00
Speech and Language Pathologists	12.00	13.50	16.00
Non-Teaching Support Staff Central	3.00	9.00	9.00
<b>Instructional Support Service</b>			
Non-Teaching Support Staff Elementary	86.00	86.00	100.00
Non-Teaching Support Staff Middle	38.00	39.00	43.00
Non-Teaching Support Staff High	35.00	37.00	40.00
Non-Teaching Support Staff Central	5.50	2.50	3.50
<b>Administration</b>			
Elementary	7.00	7.50	8.50
Middle School	5.00	7.00	6.50
High School	6.00	8.00	8.00
Central	1.00	2.00	2.00
Non-Teaching Support Staff	22.00	15.00	15.00
<b>Business</b>			
Central	3.00	3.00	3.00
<b>Fiscal</b>			
Treasurer Department	7.50	7.50	7.50
<b>Operation of Plant</b>			
Custodial Dept.	73.00	75.00	83.00
Maintenance Dept.	15.00	18.00	18.00
<b>Pupil Transportation</b>			
Bus Drivers	61.00	65.00	67.00
Bus Aides	9.00	8.00	8.00
Mechanics	5.00	5.00	5.00
Transportation support staff	4.00	4.00	4.00
<b>Central</b>			
Community Relations	2.50	2.00	2.00
Technology	17.00	19.00	20.00
Personnel	5.00	5.00	5.00
<b>Extracurricular</b>			
Athletic Department	2.00	3.00	5.00
<b>Food Service Program</b>			
Elementary	34.00	35.00	26.00
Middle	13.00	16.00	17.00
High School Cooks	15.00	18.00	22.00
Central	2.00	2.00	2.00
<b>Adult Education/Community Service</b>			
Preschool	11.50	9.00	9.00
Extended Care	34.50	32.00	29.00
Adult Education	2.00	1.00	2.00
<b>Totals</b>	<u>1,043.00</u>	<u>1,088.00</u>	<u>1,102.00</u>

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee  
The count is performed on September 1 of each year



Hannah K./4<sup>th</sup> Grade  
Parknoll Elementary School  
Art Instructor: Denise Krock



**Mary Taylor, CPA**  
Auditor of State

**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 30, 2007**