



**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2005



**Auditor of State
Betty Montgomery**

**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Federal Receipts	Federal Non-Cash Receipts	Federal Expenditures	Federal Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Education</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$113,746	\$0	\$113,746
National School Breakfast Program	05PU-2004	10.553	7,432	0	7,432	0
National School Breakfast Program	05PU-2005	10.553	26,925	0	26,925	0
Total National School Breakfast Program			34,357	0	34,357	0
National School Lunch Program	LLP4-2004	10.555	126,095	0	126,095	0
National School Lunch Program	LLP4-2005	10.555	319,341	0	319,341	0
Total National School Lunch Program			445,436	0	445,436	0
Total U.S. Department of Agriculture			479,793	113,746	479,793	113,746
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Education</i>						
Title I, Part A	C1S1-2004	84.010	(18,311)	0	28,191	0
Title I, Part A	C1S1-2005	84.010	433,368	0	370,254	0
Title I, Part A	C1SN-2005	84.010	79,824	0	93,341	0
Total Title I, Part A			494,881	0	491,786	0
Special Education Cluster:						
IDEA Part B (Title VI-B)	6BSF-2004	84.027	(29,155)	0	90,860	0
IDEA Part B (Title VI-B)	6BSF-2005	84.027	1,647,325	0	1,464,165	0
Autism Grant	6BSA-2005	84.027	50,000	0	40,075	0
Total IDEA Part B (Title VI-B)			1,668,170	0	1,595,100	0
Preschool Disability Grant	PGS1-2004	84.173	(1,610)	0	6,134	0
Preschool Disability Grant	PGS1-2005	84.173	39,537	0	37,106	0
Total Preschool Disability Grant			37,927	0	43,240	0
Total Special Education Cluster			1,706,097	0	1,638,340	0
Drug Free School Grant	DRS1-2004	84.186	(5,978)	0	526	0
Drug Free School Grant	DRS1-2005	84.186	30,584	0	13,086	0
Total Drug Free School Grant			24,606	0	13,612	0
Title V - Innovative Programs	C2S1-2004	84.298	(12)	0	3,515	0
Title V - Innovative Programs	C2S1-2005	84.298	35,880	0	35,302	0
Total Innovative Programs			35,868	0	38,817	0
Title II, Part D - Education Technology	TJS1-2004	84.318	(1,231)	0	0	0
Title II, Part D - Education Technology	TJS1-2005	84.318	15,159	0	12,855	0
Total Title II, Part D - Education Technology			13,928	0	12,855	0
Advanced Placement Program	T3S1-2005	84.330	208	0	0	0
English Language Acquisition Grants	T3S1-2004	84.365	(108)	0	2,236	0
English Language Acquisition Grants	T3S1-2005	84.365	15,204	0	15,597	0
English Language Acquisition Grants	T3S2-2004	84.365	494	0	1,263	0
English Language Acquisition Grants	T3S2-2005	84.365	5,065	0	4,919	0
Total English Language Acquisition Grants			20,655	0	24,015	0
Improving Teacher Quality State Grants	TRS1-2004	84.367	(16,151)	0	39,351	0
Improving Teacher Quality State Grants	TRS1-2005	84.367	172,614	0	180,011	0
Improving Teacher Quality State Grants	TRSP-2004	84.367	40,000	0	0	0
Total Improving Teacher Quality State Grants			196,463	0	219,362	0
Total U.S. Department of Education			2,492,706	0	2,438,787	0
Total			\$2,972,499	\$113,746	\$2,918,580	\$113,746

The accompanying notes are an integral part of this schedule.

**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2005**

NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) summarizes the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2004, the District had no significant food commodities in inventory.

NOTE C – NATIONAL SCHOOL BREAKFAST PROGRAM AND NATIONAL SCHOOL LUNCH PROGRAM FOR CHILDREN

Federal monies received by the District for this program are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

NOTE D – NEGATIVE RECEIPTS

The Ohio Department of Education (ODE) transferred federal monies from grant year 2004 to grant year 2005 for several of the District's federal grants. These transfers appear as negative receipts in the 2004 grant year and positive receipts in the 2005 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, 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, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control 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 16, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

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

Berea City School District
Cuyahoga County
Independent Accountants' Report on Internal Controls 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 16, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS 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 its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. 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 its major federal program for the year ended June 30, 2005. In a separate letter to the District's management dated December 16, 2005, we reported an other matter 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.

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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 16, 2005.

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

We intend this report solely for the information and use of 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 16, 2005

**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

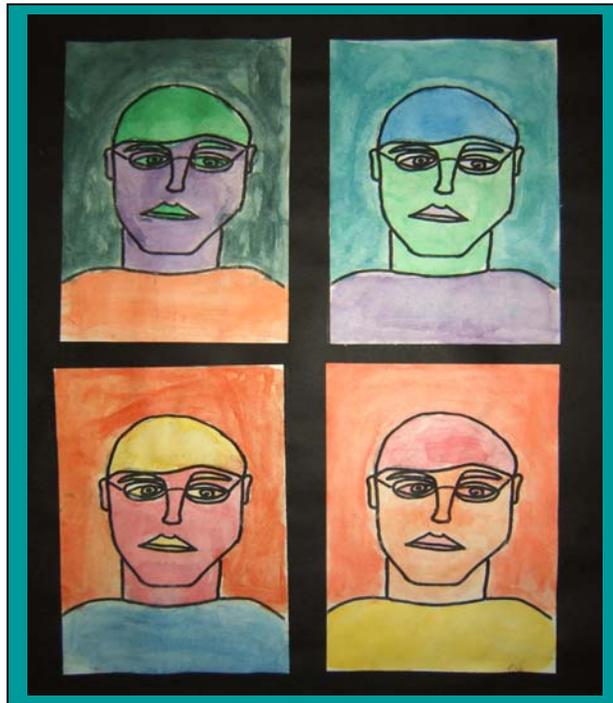
None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Berea City School District

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



Bryan R. – 3rd Grade
Fairwood Elementary School
Art Instructor: Maureen Byrne

BEREA, OHIO

INTRODUCTORY SECTION



Justin J. – 4th Grade
Big Creek Elementary School
Art Instructor: Kathy Jadud

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Berea, Ohio City School District

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



Kaylie S. – 3rd Grade
Big Creek Elementary School
Art Instructor: Kathy Jadud

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

Berea City School District
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Amber K. – Grade 6
Ford Middle School
Art Instructor: Anne Cole



Berea City School District

**Berea
Brook Park
Middleburg Heights**

Derran K. Wimer
Superintendent of Schools

Randal A. Scherf
Treasurer

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December 16, 2005

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

We are pleased to submit to you the fifteenth 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 7,511 students in grades kindergarten through twelfth. The projected enrollment for Fiscal Year 2006 is 7,530. 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 39 to 77 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.

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

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

Major Initiatives

For the Year Berea City School District has established three main goals (improve student achievement, improve fiscal stability, improve public confidence). Through the use of benchmarking and data analysis, this district will work to achieve these goals. Three levy attempts were made last year which did not produce a positive response. The School District will make an attempt in May to raise revenue for FY 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. The U.S. Supreme Court dismissed further action secured by the coalition. Berea City School District will not see additional revenue as a result of this state funding system.

Primary accomplishments for 2005 were as follows:

Financial

Successfully balanced budget for FY 2006.

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

Instruction

Continued the ongoing training and implementation of our elementary teaching staff on the use of Lesson Study to increase their performance in the classroom by focusing attention on essential elements for truly outstanding lessons in mathematics and science.

Successfully implemented a newly adopted elementary social studies curriculum.

Purchased and implemented new instructional materials for computer and technology-related courses in grades 9-12.

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

Community

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

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

Specific goals for 2006 are:

Financial

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

Receive the Certificate of Excellence in Financial Reporting for the School District's 2005 for the Comprehensive Annual Financial Report on the new reporting model for the seventh year.

Pass a new 5.9 mill levy producing \$9 million annually in operating funds.

Receive the Meritous Budget Award for the School District's 2005 Budget.

Receive the Award of Outstanding Achievement for the District's 2005 *Citizens Financial Report*.

Instruction

Initiate training of our middle school teaching staff on the use of Lesson Study to increase their performance in the classroom by focusing attention on essential elements for outstanding lessons in math and science.

Rewrite the courses of study in science, health, and physical education.

Develop a Virtual Learning Academy.

Appoint a new Director of Curriculum and Instruction.

Revise the high school grading policy system and revise the District's Grading, Reporting, and Conferencing Recommendations document.

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

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

The School District has established a separate Educational Community Foundation 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 in September.

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

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

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

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

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

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion follows this letter of transmittal, providing an assessment of the School District’s finances for 2005 and the outlook for the future. Because that discussion focuses on major funds, other non-major funds are discussed briefly in this letter.

Financial Highlights – Internal Service Fund The only internal service fund carried on the financial records of the School District is related to self-insurance. This fund accounts for the revenues and expenses related to the provision of dental, vision and medical benefits to School District employees. Effective October 1, 1997 the School District implemented a medical self-insurance program. The internal service fund had net assets of (\$348,526) at June 30, 2005, compared with net assets of (\$1,168,685) at June 30, 2004. The School District is examining the additional amount of funds needed through the Health Benefits Committee. At the present time a recommendation is being shared with the School District’s employees.

Financial Highlights - Fiduciary Funds The trust fund carried on the financial records of the School District is a private purpose trust fund that has net assets totaling \$13,132 at June 30, 2005.

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 \$246,150 for the fiscal year ended 2005.

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

During fiscal year 2005, investments were limited to Federal Farm Credit Bank Bonds, 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.

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

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2005. 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, 2004.

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

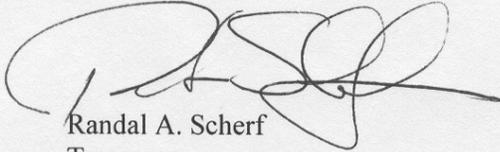
Outstanding Achievements Berea City School District students and staff have received numerous local, state, and national recognition. Three of our teachers have completed the rigorous requirements set by the National Board for Professional Teaching Standards and achieved National Board Certification, while several additional teachers are completing the process this year. The Berea City School District is rated as an Effective district by the Ohio Department of Education.

Acknowledgments

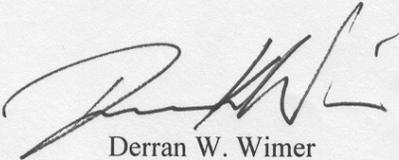
Each year we take time to recognize an individual who has contributed much to the well being of the School District. This year we would like to single out Dale Cummins, the School District's Assistant Treasurer. She has continued the tradition of quality instilled in the Berea City School District.

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

Respectfully submitted,



Randal A. Scherf
Treasurer



Derran W. 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, 2004

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



Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director

**Berea City School District
Principal Officials**

Board of Education

Mr. David Pusti..... President
Mrs. Gale Patten..... Vice-President
Mr. Robert Drake..... Member
Mr. Ken Slovick..... Member
Mr. David Thurau Member

Treasurer

Mr. Randal A. Scherf

Administration

Dr. James V. Connell..... Superintendent
Mr. Derran WimerAssistant Superintendent
Mrs. Jennie Adams Director, Pupil Personnel
Mrs. Nancy BrafordDirector, School/Community Relations
Mr. Kenneth Clickenger.....Director, Business Services
Mr. Kevin JaynesDirector, 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
- Athletic Directors
- Middle School Principals & Assistant Principals
- Elementary Principals & Assistant Principals
- Supervisor: Middlebrook/TAG
- Curriculum Coordinator

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 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
2004-2005**

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Samantha G. – 7th Grade
Ford Middle School
Art Instructor: Megan Felker

FINANCIAL SECTION



Brandon P. – 2nd Grade
Big Creek Elementary School
Art Instructor: Kathy Jadud



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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual 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.

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

Betty Montgomery
Auditor of State

December 16, 2005

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

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, 2005. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Key financial highlights for 2005 are as follows:

Overall:

- Total net assets increased \$ 2.8 million, Governmental Activities increased \$ 2.7 million as well as a increase in business-type activities of \$.1 million.
- Total revenue increased to \$83.4 million from \$82.9million in 2004, an increase of \$.5 million, virtually all in Governmental Activities.
- Total program expenses were \$80.6 million, down from \$84.6 million in 2004, a decrease of \$4.0 million. Governmental activities decreased \$3.7 million and business type activities decreased \$.3 million.
- Outstanding debt decreased to \$11.2 million from \$11.5 million in 2004 and \$11.4 million in 2003.

Governmental Activities:

- Assets increased by \$ 2.8 million, and liabilities increased by \$.1 million.
- Total revenue increased from \$79.9 million in 2004 to \$80.3 million in 2005, and program expenses decreased from \$81.3 million to \$77.6 million.
- The increase in revenue is primarily due to additional collections of special education tuition and additional funding for federal grants.
- Days cash for all Governmental Activities increased to 33 operating days for business activities from 24 in 2004 and 27 in 2003.

Business-Type Activities:

- Program revenues increased by \$.1 million for Business Activities. Expenses decreased by \$.3 million .
- Days cash for all Business-Type Activities increased to 87 operating days for business activities from 63 in 2004 and 72 in 2003.
- Net assets in Food Service increased \$5,893, Uniform School Supplies decreased \$4,566, and Adult and Community Education increased \$91,266.

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

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 2005?" 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, 2005
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 2005 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>2005</u>	<u>2004</u>	<u>2003</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<i>Assets</i>									
Current and Other Assets	\$ 71.7	\$ 68.2	\$ 67.9	\$ 0.85	\$ 0.6	\$ 0.8	\$ 72.55	\$ 68.8	\$ 68.7
Capital Assets	<u>15.2</u>	<u>15.9</u>	<u>18.2</u>	<u>0.05</u>	<u>0.1</u>	<u>0.1</u>	<u>15.25</u>	<u>16.0</u>	<u>18.3</u>
<i>Total Assets</i>	<u>86.9</u>	<u>84.1</u>	<u>86.1</u>	<u>0.90</u>	<u>0.7</u>	<u>0.9</u>	<u>87.8</u>	<u>84.8</u>	<u>87.0</u>
<i>Liabilities</i>									
Long Term Liabilities	(17.1)	(17.6)	(17.5)	(0.2)	(0.2)	(0.1)	(17.3)	(17.8)	(17.6)
Other Liabilities	<u>(63.1)</u>	<u>(62.5)</u>	<u>(63.2)</u>	<u>(0.3)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(63.4)</u>	<u>(62.7)</u>	<u>(63.4)</u>
<i>Total Liabilities</i>	<u>(80.2)</u>	<u>(80.1)</u>	<u>(80.7)</u>	<u>(0.5)</u>	<u>(0.4)</u>	<u>(0.3)</u>	<u>(80.7)</u>	<u>(80.5)</u>	<u>(81.0)</u>
<i>Net Assets</i>									
Invested in Capital Assets									
Net of Debt	4.2	4.7	7.0	0.0	0.1	0.2	4.2	4.8	7.2
Restricted	4.4	4.2	5.0	-	-	-	4.4	4.2	5.0
Unrestricted (deficit)	<u>(1.9)</u>	<u>(4.9)</u>	<u>(6.6)</u>	<u>0.4</u>	<u>0.2</u>	<u>0.4</u>	<u>(1.5)</u>	<u>(4.7)</u>	<u>(6.2)</u>
<i>Total Net Assets</i>	<u>\$ 6.7</u>	<u>\$ 4.0</u>	<u>\$ 5.4</u>	<u>\$ 0.4</u>	<u>\$ 0.3</u>	<u>\$ 0.6</u>	<u>\$ 7.1</u>	<u>\$ 4.3</u>	<u>\$ 6.0</u>

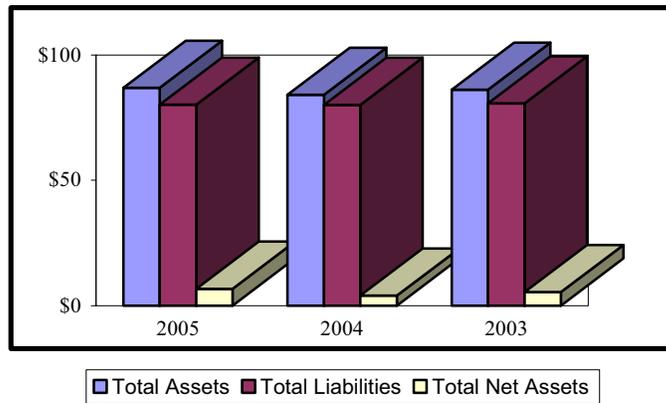
Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Governmental Activities

Graph 1.
 Net Assets Governmental Activities
 (In Millions)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Total Assets	\$86.9	\$84.1	\$86.1
Total Liabilities	<u>80.2</u>	<u>80.1</u>	<u>80.7</u>
Total Net Assets	<u>\$ 6.7</u>	<u>\$4.0</u>	<u>\$5.4</u>

**Berea City Schools
 Governmental Activities**



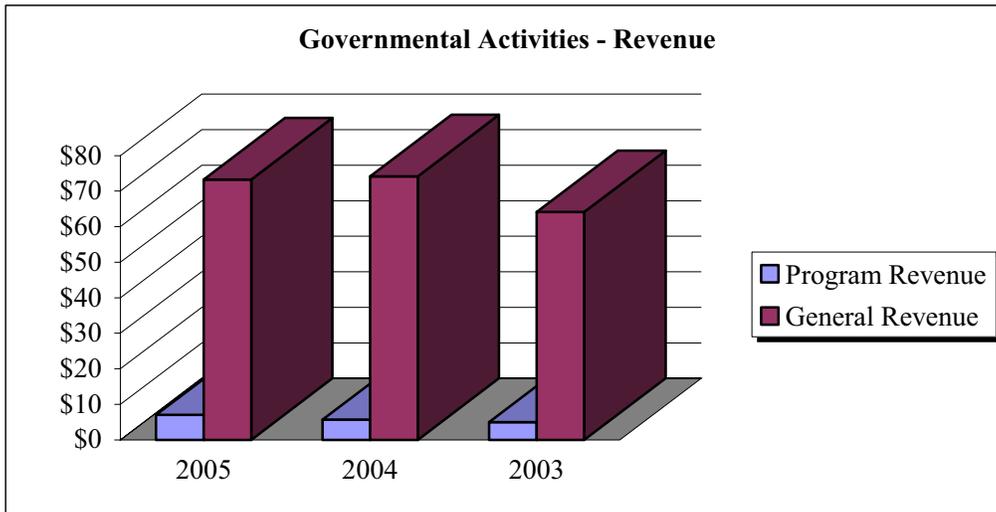
Total assets increased by \$2.8 million. Taxes receivable totaled \$62.6 million; of this amount \$51.5 million is offset as deferred revenue, revenue to be used in future periods. Cash increased from \$5.3 million in 2004 to \$7.1 million in 2005. Total liabilities for Governmental Activities increased by \$.1 million.

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

While program revenue increased for Governmental Activities from \$5.7 million to \$7.0 million, the vast majority of revenue supporting Governmental Activities is general revenue. General revenue decreased in 2005 to \$73.3 million from \$74.2 million in 2004. General revenue comprised 91 percent of revenue supporting Governmental Activities. The primary source of the decrease in general revenues was due to larger amounts of delinquent property taxes recorded in fiscal year 2004. Taxes comprised \$58.3 million of general revenue in 2005, compared to \$59.2 million in 2004 and \$50.5 million in 2003.

Graph 2.
 Revenue For Governmental Activities
 (In Millions)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenue	\$7.0	\$5.7	\$5.0
General Revenue	73.3	74.2	64.1

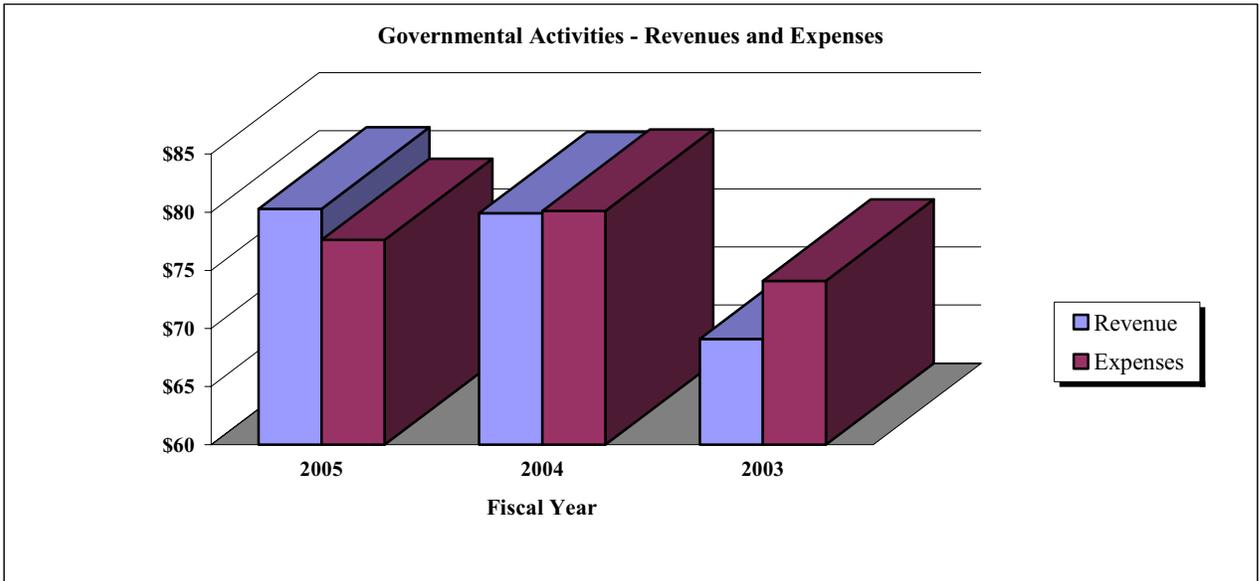


Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Expense increased from \$74.1 million in 2003 to \$81.3 million in 2004 and then decreased to \$77.6 million in 2005.

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

<i>Governmental Activities</i>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenue	\$80.3	\$79.9	\$69.1
Expenses	77.6	81.3	74.1



The increase in revenue between 2004 and 2005 is due to an increase in program revenues. Charges for services increased due to the collection of special education tuition. Operating grants increased due to more State funds for an Auxiliary Services Grant. The \$3.7 million decrease in expenses is due to the School District implementing budget cuts during fiscal year 2005.

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

Table 2 shows the changes in net assets for fiscal year 2005 for Governmental Activities compared to the two prior years.

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues			
<i>Program Revenues:</i>			
Charges For Services and Sales	\$ 2.8	\$ 2.2	\$ 1.6
Operating Grants	4.1	3.4	3.2
Capital Grants and Contributions	0.1	0.1	0.2
<i>General Revenue:</i>			
Property Taxes	58.3	59.2	50.5
Grants and Entitlements	14.5	14.7	13.1
Other	<u>0.5</u>	<u>0.3</u>	<u>.5</u>
Total Revenue	<u>80.3</u>	<u>79.9</u>	<u>69.1</u>
Program Expenses			
Instruction	\$ 43.0	\$ 45.7	\$ 41.6
<i>Support Services:</i>			
Pupil and Instructional Staff	10.8	11.8	10.6
Board of Education, Administration, Fiscal and Business	6.9	6.8	6.3
Operation and Maintenance of Plant	7.9	8.5	7.6
Pupil Transportation	3.8	3.6	3.6
Central	2.1	2.0	1.7
Non-Instructional Services	1.1	0.7	0.8
Extracurricular Services	1.5	1.7	1.3
Interest and Fiscal Changes	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>
Total Expenses	<u>77.6</u>	<u>81.3</u>	<u>74.1</u>
Special Item - Gain on Sale of Capital Assets	0	0	0.0
Increase (Decrease) In Net Assets	<u>\$ 2.7</u>	<u>\$ (1.4)</u>	<u>\$ (5.0)</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.

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

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 73 percent of revenues for governmental activities for Berea City School District in fiscal year 2005.

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>2005</u>		<u>2004</u>		<u>2003</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	\$ 42.9	\$ 39.3	\$ 45.7	\$ 42.9	\$ 41.6	\$ 39.6
Support Services						
Pupil and Instructional Staff	10.8	9.3	11.8	10.6	10.6	9.4
Board of Education, Administration, Fiscal and Business	6.9	6.7	6.8	6.6	6.3	6.1
Operation and Maintenance of Plant	7.9	7.8	8.5	8.4	7.6	7.4
Pupil Transportation	3.8	3.7	3.6	3.5	3.6	3.3
Central	2.1	2.1	2.0	2.0	1.7	1.6
Operation of Non-Instructional Services	1.1	0.1	0.7	(0.1)	.8	.1
Extracurricular Activities	1.6	1.1	1.7	1.2	1.3	1.0
Interest and Fiscal Charges	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>
Total Expenses	<u>\$ 77.6</u>	<u>\$ 70.6</u>	<u>\$ 81.3</u>	<u>\$ 75.6</u>	<u>\$ 74.1</u>	<u>\$ 69.1</u>

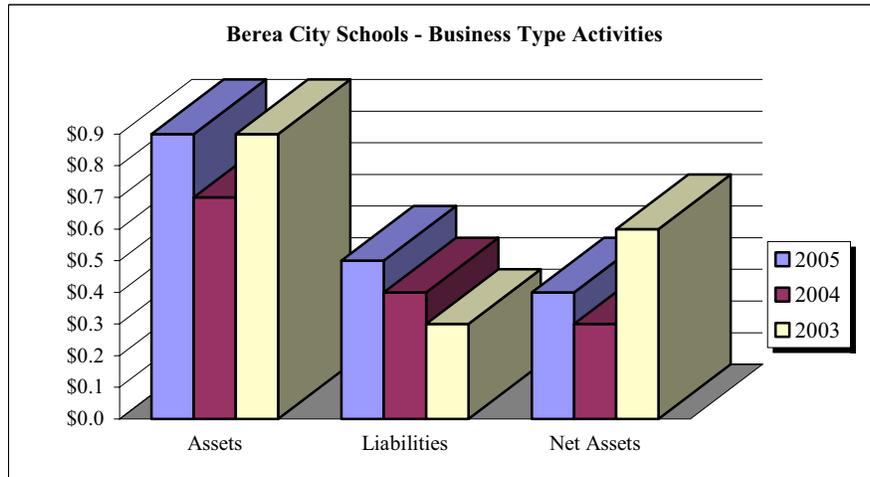
The dependence upon general tax revenues for governmental activities is apparent. Over 92 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 92 percent as shown in Table 2. The community, as a whole, is by far the primary support for Berea City School District students.

Business-Type Activities

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

Overall net assets increased \$92,593 in 2005. Cash has increased from \$0.6 million in 2004 to \$0.7 million for 2005. As well, "days cash" is 3 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



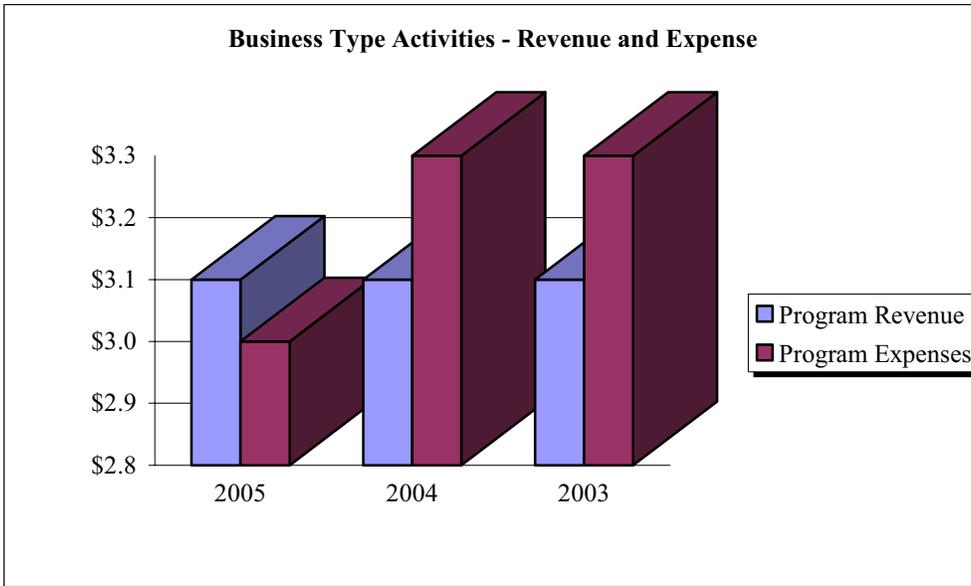
Graph 4.
 Net Assets Business Type Activities
(In Millions)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assets	\$ 0.9	\$ 0.7	\$ 0.9
Liabilities	0.5	0.4	0.3
Net Assets	0.4	0.3	0.6

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

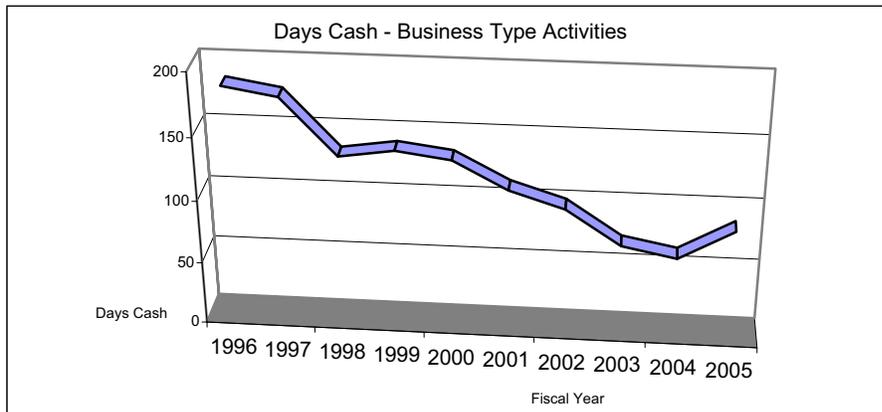
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenue	\$ 3.1	\$ 3.0	\$ 3.1
Program Expenses	3.0	3.3	3.4

Berea City School District
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 Unaudited



Graph 6.
 Days Cash Business-Type Activities

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Days Cash (1996 - 2000)	185	178	134	140	134
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Days Cash (2001 2005)	113	99	72	63	87



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>2005</u>	<u>2004</u>	<u>2003</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues												
Charges For Service and Sales	\$ 1.3	\$ 1.4	\$ 1.5	\$ 0.1	\$ 0.1	\$ 0.1	\$ 1.1	\$ 1.0	\$ 1.0	\$ 2.5	\$ 2.5	\$ 2.6
Operating Grants and Contributions	0.6	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.5	0.5
Total Program Revenue	1.9	1.9	2.0	0.1	0.1	0.1	1.1	1.0	1.0	3.1	3.0	3.1
Program Expenses	1.9	2.2	2.4	0.1	0.1	0.1	1.0	1.0	0.9	3.0	3.3	3.4
Increase (Decrease) In Net Assets	<u>\$ (0.0)</u>	<u>\$ (0.3)</u>	<u>\$ (0.4)</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.1</u>	<u>\$ 0.0</u>	<u>\$ 0.1</u>	<u>\$ 0.1</u>	<u>\$ (0.3)</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. All governmental funds had total revenues of \$79.5 million and expenditures of \$80.3 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 \$7.7 million to a deficit of \$7.9 million.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law except 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 2005 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 \$72.5 million, below original budget estimates of \$73.4 million. Of this \$.9 million difference, taxes were decreased by \$1.4 million and intergovernmental was \$.4 million above original estimates.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$72.2 million, \$.1 million above revenues.

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Management's Discussion and Analysis
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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2005 the School District had \$15.2 million invested in land, buildings, equipment and vehicles,

Table 5 shows fiscal 2005 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>2005</u>	<u>2004</u>	<u>2003</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Land & Improvements	\$ 2.3	\$ 2.4	\$ 2.5	-	-	-	\$ 2.3	\$ 2.4	\$ 2.5
Buildings & Improvements	11.1	11.5	11.5	-	-	-	11.1	11.5	11.5
Furniture & Equipment	0.8	0.8	3.3	\$ 0.0	\$ 0.1	\$ 0.2	0.8	0.9	3.5
Vehicles	<u>1.0</u>	<u>1.2</u>	<u>0.9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.0</u>	<u>1.2</u>	<u>0.9</u>
Total	<u>\$ 15.2</u>	<u>\$ 15.9</u>	<u>\$ 18.2</u>	<u>\$ 0.0</u>	<u>\$ 0.1</u>	<u>\$ 0.2</u>	<u>\$ 15.2</u>	<u>\$ 16.0</u>	<u>\$ 18.4</u>

The decrease in capital assets is due to recognizing \$1.3 million in depreciation expense for 2005, offset by \$0.6 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 2005, the set-aside requirements amounted to \$1.1 million for each set aside. For fiscal year 2005 the School District had qualifying disbursements or offsets exceeding these requirements for capital improvements. For 2004 the School District deferred a portion of this amount for textbooks. Thus the required amount increased for 2005 by the deferred amount plus the \$1.1 million requirement. For 2005, \$0.07 million of this requirement has not yet been met and appears as a reservation of fund balance for 2005.

Debt

At June 30, 2005 the School District had \$11.2 million in bonds, \$0.7 million due within one year.

Berea City School District
Management's Discussion and Analysis
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Unaudited

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

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

	<u>2005</u>		<u>2004</u>		<u>2003</u>
<i>General Obligation Bonds:</i>					
1993 School Improvement	\$ 0.9	\$	1.5	\$	2.1
2003 School Improvement Refunding	9.3		9.3		9.3
2004 Bus Acquisition Notes	0.0		0.7		0.0
2005 Bus Acquisition/Energy Bonds	<u>1.0</u>		<u>0.0</u>		<u>0.0</u>
	\$ 11.2	\$	11.5	\$	11.4

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, 2005 the School District issued \$1.0 million in bus acquisition and energy conservation bonds.

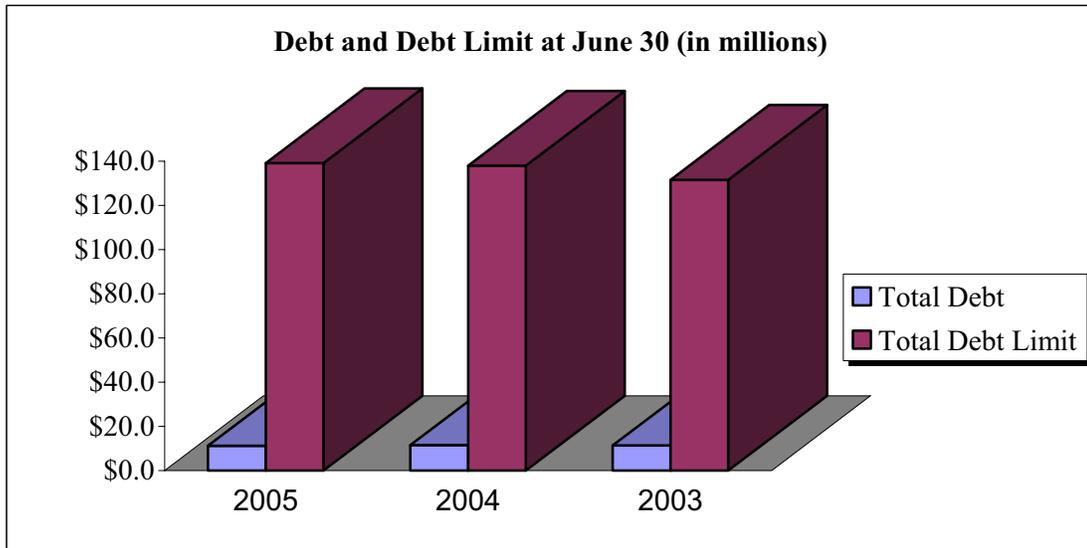
At June 30, 2005, the School District's overall legal debt margin was \$130.1 million with an unvoted debt margin of \$1.5 million. The debt is well within permissible limits. The School District maintains an A-1 bond rating. For more information refer to Note 16 to the basic financial statements.

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

	<u>2005</u>		<u>2004</u>		<u>2003</u>
Total Debt	\$ 11.2	\$	11.5	\$	11.4
Total Debt Limit (1)	139.1		138.0		131.6

(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, 2005
Unaudited



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 Board of Education made three unsuccessful attempts in 2005 to ask voters to increase the School District's general fund revenue. The current needs of the School District will be met for 2006, but without new dollars in 2007, the School District will be forced to make significant cuts. Management must diligently plan expenses, staying within the School District's three-year plan.

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, 2005
Unaudited

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 seventh 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.



Grace S. – 1st Grade
Riveredge Elementary
Art Instructor: Connie Stidham

Berea City School District
Statement of Net Assets
June 30, 2005

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,102,102	\$719,290	\$7,821,392
Cash and Cash Equivalents			
With Escrow Agents	14,360	0	14,360
Accrued Interest Receivable	8,339	0	8,339
Accounts Receivable	125,862	0	125,862
Intergovernmental Receivable	1,567,888	77,243	1,645,131
Prepaid Items	1,414	0	1,414
Inventory Held for Resale	0	37,069	37,069
Materials and Supplies			
Inventory	157,584	18,367	175,951
Taxes Receivable	62,596,905	0	62,596,905
Deferred Charges	137,275	0	137,275
Nondepreciable Capital Assets	918,217	0	918,217
Depreciable Capital Assets, Net	14,326,937	37,678	14,364,615
<i>Total Assets</i>	<u>86,956,883</u>	<u>889,647</u>	<u>87,846,530</u>
Liabilities			
Accounts Payable	688,349	38,083	726,432
Contracts Payable	160,300	0	160,300
Accrued Wages	4,685,535	61,896	4,747,431
Matured Compensated Absences Payable	686,899	0	686,899
Retainage Payable	60,670	0	60,670
Intergovernmental Payable	2,690,294	152,472	2,842,766
Deferred Revenue	51,556,475	0	51,556,475
Accrued Interest Payable	42,393	0	42,393
Claims Payable	1,266,046	0	1,266,046
Special Termination Benefit Payable	331,575	0	331,575
Early Retirement Incentive Payable	964,605	4,200	968,805
Long-Term Liabilities			
Due Within One Year	1,224,381	11,600	1,235,981
Due Within More Than One Year	15,879,612	200,576	16,080,188
<i>Total Liabilities</i>	<u>80,237,134</u>	<u>468,827</u>	<u>80,705,961</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	4,220,879	37,678	4,258,557
Restricted for:			
Capital Projects	1,340,582	0	1,340,582
Debt Service	2,052,463	0	2,052,463
Set Asides	74,709	0	74,709
Public School Support	169,880	0	169,880
District Managed Student Activity	147,902	0	147,902
Locally Funded Programs	93,251	0	93,251
State Funded Programs	238,962	0	238,962
Federal Funded Programs	292,733	0	292,733
Unclaimed Monies	9,390	0	9,390
Unrestricted (Deficit)	(1,921,002)	383,142	(1,537,860)
<i>Total Net Assets</i>	<u>\$6,719,749</u>	<u>\$420,820</u>	<u>\$7,140,569</u>

See accompanying notes to the basic financial statement:

Berea City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction:				
Regular	\$34,338,566	\$916,253	\$624,338	\$0
Special	7,717,637	1,114,791	994,755	0
Vocational	924,127	0	1,383	0
Support Services:				
Pupil	4,606,812	1,273	712,155	0
Instructional Staff	6,151,213	103,405	587,840	68,250
Board of Education	20,978	0	0	0
Administration	4,426,155	0	86,246	0
Fiscal	1,623,561	0	0	0
Business	785,456	150,328	0	0
Operation and Maintenance of Plant	7,875,127	44,125	0	19,854
Pupil Transportation	3,821,365	58,174	42,117	0
Central	2,139,079	0	26,493	16,146
Operation of Non-Instructional				
Services	1,109,590	0	1,000,307	0
Extracurricular Activities	1,578,275	426,693	49,367	0
Interest and Fiscal Charges	517,681	0	0	0
<i>Total Governmental Activities</i>	<u>77,635,622</u>	<u>2,815,042</u>	<u>4,125,001</u>	<u>104,250</u>
Business-Type Activities				
Food Service	1,944,908	1,346,640	588,770	0
Uniform School Supplies	57,461	52,895	0	0
Adult and Community Education	986,919	1,078,185	0	0
<i>Total Business-Type Activities</i>	<u>2,989,288</u>	<u>2,477,720</u>	<u>588,770</u>	<u>0</u>
Totals	<u><u>\$80,624,910</u></u>	<u><u>\$5,292,762</u></u>	<u><u>\$4,713,771</u></u>	<u><u>\$104,250</u></u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Grants and Entitlements not Restricted to Specific Program:

Unrestricted Contribution:

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
(\$32,797,975)	\$0	(\$32,797,975)
(5,608,091)	0	(5,608,091)
(922,744)	0	(922,744)
(3,893,384)	0	(3,893,384)
(5,391,718)	0	(5,391,718)
(20,978)	0	(20,978)
(4,339,909)	0	(4,339,909)
(1,623,561)	0	(1,623,561)
(635,128)	0	(635,128)
(7,811,148)	0	(7,811,148)
(3,721,074)	0	(3,721,074)
(2,096,440)	0	(2,096,440)
(109,283)	0	(109,283)
(1,102,215)	0	(1,102,215)
(517,681)	0	(517,681)
<u>(70,591,329)</u>	<u>0</u>	<u>(70,591,329)</u>
0	(9,498)	(9,498)
0	(4,566)	(4,566)
0	91,266	91,266
<u>0</u>	<u>77,202</u>	<u>77,202</u>
<u>(70,591,329)</u>	<u>77,202</u>	<u>(70,514,127)</u>
55,412,839	0	55,412,839
1,320,217	0	1,320,217
1,621,200	0	1,621,200
14,482,803	0	14,482,803
8,085	0	8,085
248,725	5,543	254,268
210,289	9,848	220,137
<u>73,304,158</u>	<u>15,391</u>	<u>73,319,549</u>
2,712,829	92,593	2,805,422
<u>4,006,920</u>	<u>328,227</u>	<u>4,335,147</u>
<u>\$6,719,749</u>	<u>\$420,820</u>	<u>\$7,140,569</u>

Berea City School District
Balance Sheet
Governmental Funds
June 30, 2005

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,888,273	\$1,718,316	\$1,434,084	\$1,072,822	\$6,113,495
Cash and Cash Equivalents					
With Escrow Agents	0	0	14,360	0	14,360
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	74,709	0	0	0	74,709
Accrued Interest Receivable	8,339	0	0	0	8,339
Accounts Receivable	122,240	0	0	0	122,240
Intergovernmental Receivable	1,289,525	0	0	278,363	1,567,888
Prepaid Items	1,414	0	0	0	1,414
Interfund Receivable	115,307	150,000	0	35,000	300,307
Materials and Supplies Inventory	157,584	0	0	0	157,584
Taxes Receivable	59,454,048	1,415,415	1,727,442	0	62,596,905
<i>Total Assets</i>	<u>\$63,111,439</u>	<u>\$3,283,731</u>	<u>\$3,175,886</u>	<u>\$1,386,185</u>	<u>\$70,957,241</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$479,450	\$0	\$51,360	\$157,539	\$688,349
Contracts Payable	0	0	160,300	0	160,300
Accrued Wages	4,579,794	0	0	105,741	4,685,535
Matured Compensated Absences Payable	686,899	0	0	0	686,899
Retainage Payable	0	0	60,670	0	60,670
Interfund Payable	0	0	150,000	150,307	300,307
Intergovernmental Payable	2,670,175	0	0	20,119	2,690,294
Deferred Revenue	53,314,231	1,239,221	1,511,319	254,191	56,318,962
Accrued Interest Payable	0	0	1,512	0	1,512
Special Termination Benefit Payable	331,575	0	0	0	331,575
Early Retirement Incentive Payable	964,605	0	0	0	964,605
<i>Total Liabilities</i>	<u>63,026,729</u>	<u>1,239,221</u>	<u>1,935,161</u>	<u>687,897</u>	<u>66,889,008</u>
Fund Balances					
Reserved for Encumbrances	769,727	0	289,423	196,962	1,256,112
Reserved for Textbooks	74,709	0	0	0	74,709
Reserved for Unclaimed Monies	9,390	0	0	0	9,390
Reserved for Property Taxes	7,162,383	172,163	208,062	0	7,542,608
Unreserved, Undesignated, Reported in:					
General Fund (Deficit)	(7,931,499)	0	0	0	(7,931,499)
Special Revenue Funds	0	0	0	493,328	493,328
Debt Service Fund	0	1,872,347	0	0	1,872,347
Capital Projects Funds	0	0	743,240	7,998	751,238
<i>Total Fund Balances</i>	<u>84,710</u>	<u>2,044,510</u>	<u>1,240,725</u>	<u>698,288</u>	<u>4,068,233</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$63,111,439</u>	<u>\$3,283,731</u>	<u>\$3,175,886</u>	<u>\$1,386,185</u>	<u>\$70,957,241</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, 2005*

Total Governmental Fund Balances		\$4,068,233
<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		15,245,154
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Taxes	3,266,481	
Intergovernmental	254,191	
Tuition and Fees	1,232,682	
Rental	9,133	
Total		4,762,487
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		(348,526)
Bond issuance costs will be amortized over the life of the bonds on the statement on net assets		137,275
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.		(40,881)
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	(11,050,000)	
Premium on Bonds	(25,725)	
Gain on Refunding	(111,550)	
Compensated Absences	(5,916,718)	
Total		(17,103,993)
<i>Net Assets of Governmental Activities</i>		\$6,719,749

See accompanying notes to the basic financial statement

Berea City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$54,800,341	\$1,304,103	\$1,603,668	\$0	\$57,708,112
Intergovernmental	14,209,095	155,390	168,930	3,787,305	18,320,720
Interest	246,150	0	0	2,575	248,725
Tuition and Fees	2,194,232	0	0	0	2,194,232
Extracurricular Activities	69,925	0	0	524,408	594,333
Rentals	35,579	0	0	0	35,579
Charges for Services	21,712	0	0	0	21,712
Contributions and Donations	8,085	0	0	179,464	187,549
Miscellaneous	169,280	0	0	41,009	210,289
<i>Total Revenues</i>	<u>71,754,399</u>	<u>1,459,493</u>	<u>1,772,598</u>	<u>4,534,761</u>	<u>79,521,251</u>
Expenditures					
Current:					
Instruction:					
Regular	32,224,775	0	0	629,073	32,853,848
Special	6,692,553	0	0	923,802	7,616,355
Vocational	907,829	0	0	1,212	909,041
Support Services:					
Pupil	3,899,537	0	0	695,833	4,595,370
Instructional Staff	5,672,619	0	0	664,274	6,336,893
Board of Education	20,978	0	0	0	20,978
Administration	4,414,512	0	0	84,565	4,499,077
Fiscal	1,649,377	0	0	0	1,649,377
Business	800,182	0	0	0	800,182
Operation and Maintenance of Plant	8,136,284	0	0	0	8,136,284
Pupil Transportation	3,802,561	0	0	43,151	3,845,712
Central	2,196,674	0	0	21,090	2,217,764
Operation of Non-Instructional Services	129,973	0	0	997,735	1,127,708
Extracurricular Activities	1,241,530	0	0	442,397	1,683,927
Capital Outlay	0	0	1,760,762	451,729	2,212,491
Debt Service:					
Principal Retirement	0	1,285,000	0	0	1,285,000
Interest and Fiscal Charges	0	512,464	5,950	0	518,414
Bond Issuance Cost	0	28,941	0	0	28,941
<i>Total Expenditures</i>	<u>71,789,384</u>	<u>1,826,405</u>	<u>1,766,712</u>	<u>4,954,861</u>	<u>80,337,362</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(34,985)</u>	<u>(366,912)</u>	<u>5,886</u>	<u>(420,100)</u>	<u>(816,111)</u>
Other Financing Sources					
General Obligation Bonds Issued	0	650,000	0	345,000	995,000
Premium on General Obligation Bonds	0	28,941	0	0	28,941
<i>Total Other Financing Sources</i>	<u>0</u>	<u>678,941</u>	<u>0</u>	<u>345,000</u>	<u>1,023,941</u>
<i>Net Change in Fund Balances</i>	<u>(34,985)</u>	<u>312,029</u>	<u>5,886</u>	<u>(75,100)</u>	<u>207,830</u>
<i>Fund Balances Beginning of Year</i>	<u>119,695</u>	<u>1,732,481</u>	<u>1,234,839</u>	<u>773,388</u>	<u>3,860,403</u>
<i>Fund Balances End of Year</i>	<u>\$84,710</u>	<u>\$2,044,510</u>	<u>\$1,240,725</u>	<u>\$698,288</u>	<u>\$4,068,233</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, 2005*

Net Change in Fund Balances - Total Governmental Funds \$207,830

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

Governmental funds report capital outlays as expenditures. However, in the statement, 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	601,896	
Current Year Depreciation	(1,327,848)	
Total		(725,952)

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

Taxes	646,144	
Accounts	79,686	
Intergovernmental	211,870	
Total		937,700

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	(995,000)	
Premium on Bonds	(28,941)	
		(1,023,941)

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

1,285,000

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

28,941

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	733	
Amortization of Bond Premium	3,216	
Amortization of Bond Issuance Costs	(11,964)	
Amortization of Loss on Refunding	8,748	
Total		733

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.

Intergovernmental Payable	964,143	
Compensated Absences Payable	218,216	
Total		1,182,359

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.

820,159

Change in Net Assets of Governmental Activities

\$2,712,829

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$56,263,982	\$54,910,000	\$55,250,941	\$340,941
Intergovernmental	14,844,223	15,212,279	14,209,095	(1,003,184)
Interest	174,192	178,511	243,933	65,422
Tuition and Fees	1,612,145	1,650,766	2,108,535	457,769
Extracurricular Activities	212,617	217,889	69,925	(147,964)
Rentals	61,671	63,200	32,284	(30,916)
Charges for Services	27,963	28,657	21,712	(6,945)
Contributions and Donations	13,577	13,914	8,085	(5,829)
Miscellaneous	202,040	207,049	169,243	(37,806)
<i>Total Revenues</i>	<u>73,412,410</u>	<u>72,482,265</u>	<u>72,113,753</u>	<u>(368,512)</u>
Expenditures				
Current:				
Instruction:				
Regular	31,839,660	32,711,551	32,544,364	167,187
Special	6,290,112	6,482,775	6,452,104	30,671
Vocational	923,629	952,376	878,108	74,268
Support Services:				
Pupil	3,907,418	4,008,305	3,982,837	25,468
Instructional Staff	5,536,846	5,635,767	5,612,045	23,722
Board of Education	24,863	25,636	20,969	4,667
Administration	4,177,611	4,266,811	4,254,755	12,056
Fiscal	1,591,214	1,632,969	1,630,031	2,938
Business	1,078,716	1,011,394	866,984	144,410
Operation and Maintenance of Plant	8,620,252	8,560,257	8,437,248	123,009
Pupil Transportation	3,739,419	3,839,846	3,736,367	103,479
Central	2,538,206	2,529,853	2,460,088	69,765
Operation of Non-Instructional Services	126,480	130,416	130,416	0
Extracurricular Activities	1,207,155	1,241,771	1,229,916	11,855
<i>Total Expenditures</i>	<u>71,601,577</u>	<u>73,029,727</u>	<u>72,236,232</u>	<u>793,495</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenditures</i>	<u>\$1,810,833</u>	<u>(\$547,462)</u>	<u>(\$122,479)</u>	<u>\$424,983</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Advances In	\$0	\$91,000	\$49,438	(\$41,562)
Advances Out	0	(108,295)	(108,295)	0
Transfers Out	0	(3,921)	0	3,921
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(21,216)</u>	<u>(58,857)</u>	<u>(37,641)</u>
<i>Net Change in Fund Balance</i>	1,810,829	(568,678)	(181,336)	387,342
<i>Fund Balance Beginning of Year</i>	502,805	502,805	502,805	0
Prior Year Encumbrances Appropriated	<u>679,104</u>	<u>679,104</u>	<u>679,104</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,992,738</u>	<u>\$613,231</u>	<u>\$1,000,573</u>	<u>\$387,342</u>

See accompanying notes to the basic financial statements.

Berea City School District
Statement of Fund Net Assets
Proprietary Funds
June 30, 2005

	Business-Type Activities - Non-major Enterprise Funds	Governmental Activity - Internal Service Fund
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$719,290	\$913,898
Accounts Receivable	0	3,622
Intergovernmental Receivable	77,243	0
Inventory Held for Resale	37,069	0
Materials and Supplies Inventory	18,367	0
<i>Total Current Assets</i>	851,969	917,520
Depreciable Capital Assets, Net	37,678	0
<i>Total Assets</i>	889,647	917,520
Liabilities		
Current Liabilities:		
Accounts Payable	38,083	0
Accrued Wages	61,896	0
Intergovernmental Payable	152,472	0
Compensated Absences Payable	11,600	0
Early Retirement Incentive Payable	4,200	0
Claims Payable	0	1,266,046
<i>Total Current Liabilities</i>	268,251	1,266,046
Long-Term Liabilities:		
Compensated Absences Payable	200,576	0
<i>Total Liabilities</i>	468,827	1,266,046
Net Assets		
Invested in Capital Assets	37,678	0
Unrestricted (Deficit)	383,142	(348,526)
<i>Total Net Assets (Deficit)</i>	\$420,820	(\$348,526)

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, 2005*

	Business-Type Activities - Non-major Enterprise Funds	Governmental Activity - Internal Service Fund
Operating Revenues		
Tuition	\$1,078,185	\$0
Sales	1,399,535	0
Charges for Services	0	8,814,401
Miscellaneous	9,848	0
<i>Total Operating Revenues</i>	<u>2,487,568</u>	<u>8,814,401</u>
Operating Expenses		
Salaries	1,495,396	0
Fringe Benefits	476,151	0
Purchased Services	153,590	826,143
Materials and Supplies	99,637	0
Cost of Sales	733,777	0
Depreciation	22,845	0
Claims	0	7,168,099
Other	7,892	0
<i>Total Operating Expenses</i>	<u>2,989,288</u>	<u>7,994,242</u>
<i>Operating Income (Loss)</i>	<u>(501,720)</u>	<u>820,159</u>
Non-Operating Revenues		
Donated Commodities	80,566	0
Operating Grants	508,204	0
Interest	5,543	0
<i>Total Non-Operating Revenues</i>	<u>594,313</u>	<u>0</u>
<i>Change in Net Assets</i>	92,593	820,159
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>328,227</u>	<u>(1,168,685)</u>
<i>Net Assets End of Year</i>	<u><u>\$420,820</u></u>	<u><u>(\$348,526)</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, 2005

	Business-Type Activities - Non-major Enterprise Funds	Governmental Activity - Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Customers	\$2,486,807	\$0
Cash Received from Interfund Services	0	8,813,835
Other Cash Receipts	0	0
Cash Payments to Employees for Services	(1,464,034)	0
Cash Payments for Employee Benefits	(488,141)	0
Cash Payments for Goods and Services	(888,113)	(826,143)
Cash Payments for Claims	0	(7,230,973)
Other Cash Payments	(7,892)	0
<i>Net Cash Provided by (Used In) Operating Activities</i>	(361,373)	756,719
Cash Flows from Noncapital Financing Activities		
Operating Grants Received	498,240	0
Cash Flows from Investing Activities		
Interest on Investments	5,543	0
<i>Net Increase in Cash and Cash Equivalents</i>	142,410	756,719
<i>Cash and Cash Equivalents Beginning of Year</i>	576,880	157,179
<i>Cash and Cash Equivalents End of Year</i>	\$719,290	\$913,898

(continued)

Berea City School District
Statement of Cash Flows
Proprietary Funds (continued)
For the Fiscal Year Ended June 30, 2005

	Business-Type Activities - Non-major Enterprise Funds	Governmental Activity - Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	(\$501,720)	\$820,159
Adjustments:		
Depreciation	22,845	0
Donated Commodities Received During Year	80,566	0
(Increase) Decrease in Assets:		
Accounts Receivable	0	(566)
Intergovernmental Receivable	(761)	0
Inventory Held for Resale	1,398	0
Materials and Supplies Inventory	8,051	0
Increase (Decrease) in Liabilities:		
Accounts Payable	12,283	0
Accrued Wages	19,008	0
Compensated Absences Payable	25,374	0
Early Retirement Incentive Payable	(13,020)	0
Intergovernmental Payable	(15,397)	0
Claims Payable	0	(62,874)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(\$361,373)</u>	<u>\$756,719</u>

Non Cash Non Capital Financing Activities:
Federal Donated Commodities in the amount of \$80,566 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, 2005

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalent:	\$13,132	\$189,063
Liabilities		
Undistributed Monies	0	\$20,894
Due to Students	0	168,169
<i>Total Liabilities</i>	0	\$189,063
Net Assets		
Held in Trust for Scholarships	13,132	
<i>Total Net Assets</i>	\$13,132	

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, 2005

	<u>Scholarship</u>
Additions	
Interest	\$257
Deductions	
Scholarships Awarded	105
<i>Change in Net Assets</i>	152
<i>Net Assets Beginning of Year</i>	12,980
<i>Net Assets End of Year</i>	\$13,132

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, 2005

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 495 classified employees, 532 certificated full-time personnel, and 61 administrators who provide services to 7,511 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, 2005

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

Jointly Governed Organizations:

Polaris Career Center
Educational Community Foundation
Ohio Schools' Council Association

Public Entity Risk Pool:

Ohio School Boards Association Workers' Compensation Group Rating Program

Note 2 - Summary of Significant Accounting Policies

The financial statements of Berea City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds 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
For the Fiscal Year Ended June 30, 2005

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
For the Fiscal Year Ended June 30, 2005

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

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

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 2005, investments were limited to overnight Repurchase Agreements, Federal Farm Credit Bank Bonds, Certificates of Deposit 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 2005. 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, 2005.

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 2005 amounted to \$246,150, which includes \$184,054 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. See Note 18 for additional information regarding set-asides.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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

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
For the Fiscal Year Ended June 30, 2005

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, textbooks, unclaimed monies and property taxes.

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

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

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 \$4,445,597 of restricted net assets, of which \$3,060,928 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, 2005

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

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

Note 3 – Change in Accounting Principles and Restatement of Net Assets

For fiscal year 2005, the School District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures", GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers."

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

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 clarifies when net assets should be considered restricted based upon enabling legislation.

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

The implementation of GASB Statement No. 46 and GASB Technical Bulletin No. 2004-2 did not affect the presentation of the financial statements of the School District.

For fiscal year 2005, the School District changed their threshold for capital assets to \$5,000. This adjustment decreased the net assets in governmental activities at June 30, 2004 by \$1,255,804, from \$5,262,724, to \$4,006,920. In the business-type activities this adjustment at June 30, 2004 decreased net assets by \$93,060, from \$421,287, to \$328,227.

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

Note 4 –Legal Compliance and Accountability

A. Legal Compliance.

Contrary to Section 5705.41(B), Ohio Revised Code, the debt service fund had expenditures plus encumbrances in excess of appropriations of \$28,941. Contrary to 5705.39, Ohio Revised Code, the auxiliary service fund had original appropriations in excess of original estimated revenues and carryover balance of \$139,166 and the title III grant had final appropriations in excess of final estimated revenues and carryover balances by \$4,249. Although 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 5705.10, Ohio Revised Code, the Title IIA fund had a negative fund balance of \$7,012.

B. Accountability

The following fund had deficit fund balances/net assets at June 30, 2005:

Special Revenue Funds	
Auxiliary Services	\$10,128
Preschool	5,015
Title IIA	7,510
Title III	2,276
Internal Service Fund	
Self Insurance	348,526

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

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

Note 5 - Budgetary Basis of Accounting

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

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

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

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	(\$34,985)
Net Adjustment for Revenue Accruals	358,454
Advances In	49,438
Beginning Fair Value Adjustment for Investments	5,540
Ending Fair Value Adjustment for Investments	(4,640)
Net Adjustment for Expenditure Accruals	527,213
Advances Out	(108,295)
Adjustment for Encumbrances	<u>(974,061)</u>
Budget Basis	<u><u>(\$181,336)</u></u>

Note 6 - Property Taxes

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

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

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

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

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

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, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax 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, 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. The amount available as an advance at June 30, 2004, was \$6,911,994 in the general fund, \$162,281 in the debt service fund and \$201,514 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 2005 taxes were collected are:

	2004 Second- Half Collections		2005 First- Half Collections	
Agricultural/Residential and Other Real Estate	\$1,307,938,720	85.26 %	\$1,314,175,720	85.04 %
Public Utility Personal	38,647,280	2.52	38,663,990	2.50
Tangible Personal Property	187,459,887	12.22	192,551,284	12.46
Total	\$1,534,045,887	100.00 %	\$1,545,390,994	100.00 %
Original Tax Rate per \$1,000 of Assessed Valuation	\$69.80		\$69.80	

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.

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

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;
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, \$3,936,557 of the School District's bank balance of \$4,350,917 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.

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

Investments

Investments are reported at fair value. As of June 30, 2005, the School District had the following investments:

	Fair Value	Maturity
Repurchase Agreements	\$2,684,000	1 day
Federal Farm Credit Bank Bonds	993,400	July 29, 2005
STAROhio	340,365	33 days
Total	\$4,017,765	

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 Federal Farm Credit Bank Bonds are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the School District's name. 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.

Credit Risk The Federal Farm Credit Bank Bonds carry a rating of AAA by Standard & Poor's and STAROhio also 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, 2005:

Investment	Percentage of Investments
Repurchase Agreement	66.80%
Federal Farm Credit Bank Bonds	24.73%
STAROhio	8.47%

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

Note 8 - Capital Assets

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

	Balance 6/30/04	Additions	Deductions	Balance 6/30/05
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$918,217	\$0	\$0	\$918,217
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	2,460,011	8,064	0	2,468,075
Buildings and Improvements	42,661,616	361,408	0	43,023,024
Furniture and Equipment	2,245,155	174,926	0	2,420,081
Vehicles	3,813,207	57,498	(29,517)	3,841,188
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Capital Assets, being depreciated</i>	<u>51,179,989</u>	<u>601,896</u>	<u>(29,517)</u>	<u>51,752,368</u>
Less Accumulated Depreciation:				
Land Improvements	(1,005,230)	(82,269)	0	(1,087,499)
Buildings and Improvements	(31,100,978)	(810,480)	0	(31,911,458)
Furniture and Equipment	(1,396,130)	(204,556)	0	(1,600,686)
Vehicles	(2,624,762)	(230,543)	29,517	(2,825,788)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Accumulated Depreciation	<u>(36,127,100)</u>	<u>(1,327,848) *</u>	<u>29,517</u>	<u>(37,425,431)</u>
Total Capital Assets, being depreciated, net	<u>15,052,889</u>	<u>(725,952)</u>	<u>0</u>	<u>14,326,937</u>
Governmental Activities Capital Assets, Net	<u>\$15,971,106</u>	<u>(\$725,952)</u>	<u>\$0</u>	<u>\$15,245,154</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Business-Type Activities				
Furniture and Equipment	\$355,892	\$0	\$0	\$355,892
Less Accumulated Depreciation	(295,369)	(22,845)	0	(318,214)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Business-type activities Capital Assets, Net	<u>\$60,523</u>	<u>(\$22,845)</u>	<u>\$0</u>	<u>\$37,678</u>

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

- Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$442,034
Special	81,575
Vocational	10,694
Support Services:	
Pupil	46,351
Instructional Staff	241,079
Administration	82,997
Fiscal	7,240
Business	1,768
Operation of Maintenance and Plant	109,851
Pupil Transportation	276,433
Central	23,863
Operation of Non-Instructional Services	3,534
Extracurricular Activities	429
Total Depreciation Expense	\$1,327,848

Depreciation expense was charged to the food service business-type activity fund in the amount of \$22,845.

Note 9 - Interfund Balances

The interfund balances at June 30, 2005 were as follows:

	Interfund Receivable			
Interfund Payable	General	Debt Service	Title 1	Total
<i>Major Governmental Funds</i>				
Permanent Improvement	\$0	\$150,000	\$0	\$150,000
<i>Non-Major Governmental Funds</i>				
Auxiliary Services	108,048	0	0	108,048
Title IIA	7,012	0	35,000	42,012
Title III	247	0	0	247
<i>Total Non-Major Governmental Funds</i>	\$115,307	\$0	\$35,000	\$150,307
<i>Total</i>	\$115,307	\$150,000	\$35,000	\$300,307

The interfund transactions between general and nonmajor special revenue funds, and Title I and Title IIA, are due to the timing of the receipt of grant monies. These will be repaid within one year. \$150,000 interfund transaction between the debt service and permanent improvement capital projects fund is a manuscript note.

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

Note 10 - Receivables

Receivables at June 30, 2005, 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.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	
Tuition and Fees	\$1,289,065
Miscellaneous	460
Auxiliary Services	108,048
Title I	33,295
Preschool	15,506
Technology IID	7,882
Title IIA	84,240
Reading Intervention	24,896
Title III	4,496
<i>Total Governmental Activities</i>	1,567,888
Business-Type Activities	
Food Service	76,693
Adult and Community Education	550
<i>Total Business-Type Activities</i>	77,243
<i>Total</i>	\$1,645,131

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 2005, 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 \$15,000 medical payments.

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

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

B. Workers' Compensation

For fiscal year 2005 the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP.

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

C. Employee Medical Benefits

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

The School District maintains stop-loss coverage for its medical insurance program. Aggregate stop loss is maintained at 115 percent of expected claims. The aggregate stop-loss was not met in 2005. Medical Mutual of Ohio provides claim review and processing for the medical insurance program as well.

The claims liability at June 30, 2005 estimated by the third party administrator to be \$1,266,046, 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 2005 and 2004 were:

	Beginning of Year	Year Claims	Claim Payments	End of Year
2004	\$1,031,285	7,051,633	6,753,998	\$1,328,920
2005	1,328,920	7,168,099	7,230,973	1,266,046

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 or by calling (614) 222-5853.

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

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$1,398,193, \$1,370,354 and \$1,041,755 respectively; 48.17 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

B. State Teachers Retirement System

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

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

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon 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 the DB Plan for the fiscal years ended June 30, 2005, 2004 and 2003 were \$4,477,300, \$4,443,072 and \$4,279,129, respectively; 79.83 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$61,628 made by the School District and \$87,365 made by the plan members.

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

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, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School District this amount equaled \$344,408 for fiscal year 2005.

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

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was at \$27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2005 fiscal year, the School District paid \$718,241 to fund health care benefits, including the surcharge.

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

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.

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

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.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for one fourth of the total sick leave accumulation, up to a maximum accumulation of 95 days. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

B. Special Termination Benefit

The School District offered employees participation in a Special Termination Incentive program. Participation was open to employees between September 13, 1999 through October 29, 1999 who were at least fifty years old and qualified for retirement. A total of 33 certified employees and 2 administrative employees elected to retire under this plan. These employees will receive \$34,250 under this plan. This amount, along with the employee's severance, will be placed in an account and distributed to the employee over a period of ten years, commencing with their leaving the School District on June 30, 2001. A third party administrator manages this account. The School District recorded a "Special Termination Benefit Payable" liability for the amount owed to the employees at June 30, 2005.

C. Early Retirement Incentive Payable

The School District offered certified and administrative employees participation in an Early Retirement Incentive program. Participation was open for these employees between November 10, 2003 through December 19, 2003. A total of 34 certified and 4 administrative employees elected to retire under this plan. The final date for retirement was December 31, 2004. Each person who participates in this program receives \$1,000 for each year of service time, up to a maximum of \$30,000. Payment of this incentive will be done in two equal installments with the first to be paid no later than January 31, 2005, and the second to be paid no later than July 31, 2006.

The classified employees were offered participation in an Early Retirement Incentive program also. Participation was open between, October 20, 2003 and November 26, 2003. The final date for retirement is December 31, 2005. A total of 28 classified employees elected to retire under this plan. Each person is eligible to receive \$420 for each full year of continuous service credit to the School District. Payment of this incentive will be made four months after the effective retirement date, with the last payment to be made October 2005. The School District recorded an "Early Retirement Incentive Payable" liability for the amount owed to the employees at June 30, 2005.

D. 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.

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

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, 2005.

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 – Long – Term Liabilities

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

	Principal Outstanding 6/30/04	Additions	Reductions	Principal Outstanding 6/30/05	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
1993 School Improvement	\$1,485,000	\$0	\$595,000	\$890,000	\$620,000
2003 School Improvement Refunding	9,205,000	0	0	9,205,000	0
Deferred Amount on Refunding	120,298	0	8,748	111,550	0
2005 Bus Acquisition Bonds	0	650,000	25,000	625,000	60,000
2005 Energy Conservation Bonds	0	345,000	15,000	330,000	30,000
Premium on Bonds	0	28,941	3,216	25,725	0
Total General Obligation Bonds	10,810,298	1,023,941	646,964	11,187,275	710,000
Bus Acquisition Notes	650,000	0	650,000	0	0
Compensated Absences	6,134,934	829,636	1,047,852	5,916,718	514,381
Total Governmental Activities					
Long-Term Liabilities	<u>\$17,595,232</u>	<u>\$1,853,577</u>	<u>\$2,344,816</u>	<u>\$17,103,993</u>	<u>\$1,224,381</u>
Business-Type Activities					
Compensated Absences	<u>\$186,802</u>	<u>\$33,646</u>	<u>\$8,272</u>	<u>\$212,176</u>	<u>\$11,600</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 entire amount is still outstanding at June 30, 2005.

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.

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

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

On July 14, 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.

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

At June 30, 2005 the School District's overall legal debt margin was \$130,079,699 with an unvoted debt margin of \$1,545,391. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2005 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Total
	Principal	Interest	
2006	\$710,000	\$465,976	\$1,175,976
2007	815,000	425,295	1,240,295
2008	830,000	397,484	1,227,484
2009	815,000	373,029	1,188,029
2010	830,000	346,291	1,176,291
2011-2015	4,365,000	1,142,637	5,507,637
2016-2018	2,685,000	194,750	2,879,750
Total	\$11,050,000	\$3,345,462	\$14,395,462

Note 17- Jointly Governed Organizations and Public Entity Risk Pool

A. Jointly Governed Organizations

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

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

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

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 2005 the School District paid \$9,439 to the Council. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school district will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

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

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

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

B. Public Entity Risk Pool

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

Note 18 - Set-Aside Calculations

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

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

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

	Capital Improvements Reserve	Textbooks Instructional Materials Reserve
Set Aside Reserve Balance as of June 30, 2004	\$0	\$433,879
Current year set-aside requirement	1,082,314	1,082,314
Qualifying Disbursements	<u>(1,173,847)</u>	<u>(1,441,484)</u>
Total	<u>(\$91,533)</u>	<u>\$74,709</u>
Set-aside Reserve Balance as of June 30, 2005	<u>\$0</u>	<u>\$74,709</u>

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

Note 19 – Contractual Commitments

At June 30, 2005 the School District had \$454,054 in contractual commitments for various improvements within the School District.

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 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.

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.

(continued)

Berea City School District

Nonmajor Special Revenue Funds (continued)

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

Educational Management Information Systems (EMIS) Fund
Teacher Training and Development Fund
School Professional Development Fund
Technology IID Fund
Parent Mentor Grant Fund
School Improvement Grant Fund
Safe School Helpline Fund
Teacher Advancement Program
Telecommunity Grant Fund
Title IIA Fund
Reading Intervention Grant
Title III

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.

Berea City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalent:	\$1,058,751	\$14,071	\$1,072,822
Intergovernmental Receivable	278,363	0	278,363
Interfund Receivable	35,000	0	35,000
<i>Total Assets</i>	<u>\$1,372,114</u>	<u>\$14,071</u>	<u>\$1,386,185</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$153,219	\$4,320	\$157,539
Accrued Wages	105,741	0	105,741
Interfund Payable	150,307	0	150,307
Intergovernmental Payable	20,119	0	20,119
Deferred Revenue	254,191	0	254,191
<i>Total Liabilities</i>	<u>683,577</u>	<u>4,320</u>	<u>687,897</u>
Fund Balances			
Reserved for Encumbrances	195,209	1,753	196,962
Unreserved, Undesignated, Reported in			
Special Revenue Funds	493,328	0	493,328
Capital Projects Funds	0	7,998	7,998
<i>Total Fund Balances</i>	<u>688,537</u>	<u>9,751</u>	<u>698,288</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,372,114</u>	<u>\$14,071</u>	<u>\$1,386,185</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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$3,683,055	\$104,250	\$3,787,305
Interest	1,779	796	2,575
Extracurricular Activities	524,408	0	524,408
Contributions and Donations	179,464	0	179,464
Miscellaneous	41,009	0	41,009
<i>Total Revenues</i>	<u>4,429,715</u>	<u>105,046</u>	<u>4,534,761</u>
Expenditures			
Current:			
Instruction:			
Regular	629,073	0	629,073
Special	923,802	0	923,802
Vocational	1,212	0	1,212
Support Services:			
Pupil	695,833	0	695,833
Instructional Staff	664,274	0	664,274
Administration	84,565	0	84,565
Pupil Transportation	43,151	0	43,151
Central	21,090	0	21,090
Operation of Non-Instructional Services:	997,735	0	997,735
Extracurricular Activities	442,397	0	442,397
Capital Outlay	0	451,729	451,729
<i>Total Expenditures</i>	<u>4,503,132</u>	<u>451,729</u>	<u>4,954,861</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(73,417)	(346,683)	(420,100)
Other Financing Sources			
Proceeds of Bonds	0	345,000	345,000
<i>Net Change in Fund Balances</i>	(73,417)	(1,683)	(75,100)
<i>Fund Balances Beginning of Year</i>	<u>761,954</u>	<u>11,434</u>	<u>773,388</u>
<i>Fund Balances End of Year</i>	<u><u>\$688,537</u></u>	<u><u>\$9,751</u></u>	<u><u>\$698,288</u></u>

Berea City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
Assets				
Equity in Pooled Cash and Cash Equivalents	\$183,138	\$170,912	\$74,106	\$159,096
Intergovernmental Receivable	0	108,048	33,295	0
Interfund Receivable	0	0	35,000	0
<i>Total Assets</i>	<u>\$183,138</u>	<u>\$278,960</u>	<u>\$142,401</u>	<u>\$159,096</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$46,063	\$72,992	\$110	\$11,044
Accrued Wages	12,743	0	60,276	0
Interfund Payable	0	108,048	0	0
Intergovernmental Payable	6,951	0	8,438	150
Deferred Revenue	0	108,048	68,295	0
<i>Total Liabilities</i>	<u>65,757</u>	<u>289,088</u>	<u>137,119</u>	<u>11,194</u>
Fund Balances				
Reserved for Encumbrances	58,478	90,576	3,881	12,027
Unreserved, Undesignated (Deficit)	58,903	(100,704)	1,401	135,875
<i>Total Fund Balances</i>	<u>117,381</u>	<u>(10,128)</u>	<u>5,282</u>	<u>147,902</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$183,138</u>	<u>\$278,960</u>	<u>\$142,401</u>	<u>\$159,096</u>

Preschool At Risk	Public School Support	Local Grants	Preschool
\$7,131	\$184,979	\$93,948	\$2,431
0	0	0	15,506
0	0	0	0
<u>\$7,131</u>	<u>\$184,979</u>	<u>\$93,948</u>	<u>\$17,937</u>
\$0	\$15,099	\$697	\$716
1,588	0	0	5,904
0	0	0	0
222	0	0	826
0	0	0	15,506
<u>1,810</u>	<u>15,099</u>	<u>697</u>	<u>22,952</u>
1,796	12,365	1,119	28
3,525	157,515	92,132	(5,043)
<u>5,321</u>	<u>169,880</u>	<u>93,251</u>	<u>(5,015)</u>
<u>\$7,131</u>	<u>\$184,979</u>	<u>\$93,948</u>	<u>\$17,937</u>

(continued)

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

	Entry Year Teacher Grant	Autism Grant	Title V	Drug Free Schools
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,000	\$9,924	\$578	\$17,497
Intergovernmental Receivable	0	0	0	0
Interfund Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$2,000</u>	<u>\$9,924</u>	<u>\$578</u>	<u>\$17,497</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$357	\$259	\$4,000
Accrued Wages	0	1,810	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	253	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>2,420</u>	<u>259</u>	<u>4,000</u>
Fund Balances				
Reserved for Encumbrances	0	140	165	11,958
Unreserved, Undesignated (Deficit)	2,000	7,364	154	1,539
<i>Total Fund Balances</i>	<u>2,000</u>	<u>7,504</u>	<u>319</u>	<u>13,497</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,000</u>	<u>\$9,924</u>	<u>\$578</u>	<u>\$17,497</u>

Ohio Reads	EMIS	Teacher Training and Development	Technology IID
\$5,133	\$25,424	\$305	\$2,304
0	0	0	7,882
0	0	0	0
<u>\$5,133</u>	<u>\$25,424</u>	<u>\$305</u>	<u>\$10,186</u>
\$485	\$0	\$0	\$0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	7,882
<u>485</u>	<u>0</u>	<u>0</u>	<u>7,882</u>
467	2,093	0	0
<u>4,181</u>	<u>23,331</u>	<u>305</u>	<u>2,304</u>
<u>4,648</u>	<u>25,424</u>	<u>305</u>	<u>2,304</u>
<u>\$5,133</u>	<u>\$25,424</u>	<u>\$305</u>	<u>\$10,186</u>

(continued)

Berea City Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2005

	Parent Mentor Grant	School Improvement Grant	Safe School Helpline	Teacher Advancement Program
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,635	\$6	\$27	\$40,000
Intergovernmental Receivable	0	0	0	0
Interfund Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$3,635</u>	<u>\$6</u>	<u>\$27</u>	<u>\$40,000</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	116	0	0	0
Unreserved, Undesignated (Deficit)	3,519	6	27	40,000
<i>Total Fund Balances</i>	<u>3,635</u>	<u>6</u>	<u>27</u>	<u>40,000</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,635</u>	<u>\$6</u>	<u>\$27</u>	<u>\$40,000</u>

Telecommunity Grant	Title IIA	Reading Intervention Grant	Title III	Total Nonmajor Special Revenue Funds
\$70,849	\$0	\$5,328	\$0	\$1,058,751
0	84,240	24,896	4,496	278,363
0	0	0	0	35,000
<u>\$70,849</u>	<u>\$84,240</u>	<u>\$30,224</u>	<u>\$4,496</u>	<u>\$1,372,114</u>
\$0	\$0	\$1,397	\$0	\$153,219
0	21,640	0	1,780	105,741
0	42,012	0	247	150,307
0	3,030	0	249	20,119
0	25,068	24,896	4,496	254,191
0	91,750	26,293	6,772	683,577
0	0	0	0	195,209
<u>70,849</u>	<u>(7,510)</u>	<u>3,931</u>	<u>(2,276)</u>	<u>493,328</u>
<u>70,849</u>	<u>(7,510)</u>	<u>3,931</u>	<u>(2,276)</u>	<u>688,537</u>
<u>\$70,849</u>	<u>\$84,240</u>	<u>\$30,224</u>	<u>\$4,496</u>	<u>\$1,372,114</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, 2005

	Title VI-B	Auxiliary Services	Title I
Revenues			
Intergovernmental	\$1,618,170	\$700,987	\$507,902
Interest	0	1,779	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>1,618,170</u>	<u>702,766</u>	<u>507,902</u>
Expenditures			
Current:			
Instruction:			
Regular	0	0	0
Special	409,093	0	499,935
Vocational	0	0	0
Support Services:			
Pupil	655,830	0	0
Instructional Staff	297,360	0	25,286
Administration	64,612	0	0
Pupil Transportation	5,864	0	0
Central	0	0	0
Operation of Non-Instructional Services	152,814	810,486	7,746
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>1,585,573</u>	<u>810,486</u>	<u>532,967</u>
<i>Net Change in Fund Balance</i>	32,597	(107,720)	(25,065)
<i>Fund Balances Beginning of Year</i>	<u>84,784</u>	<u>97,592</u>	<u>30,347</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$117,381</u>	<u>(\$10,128)</u>	<u>\$5,282</u>

District Managed Student Activities	Preschool At Risk	Public School Support	Local Grants	Preschool
\$0	\$232,344	\$0	\$0	\$37,927
0	0	0	0	0
372,824	0	151,584	0	0
50,102	0	35,998	93,364	0
5,863	0	35,146	0	0
428,789	232,344	222,728	93,364	37,927
0	113,332	43,536	75,368	0
0	0	0	1,802	0
0	0	0	1,212	0
676	15,434	940	0	22,953
0	58,576	133,756	3,449	22,656
0	19,953	0	0	0
36,275	1,012	0	0	0
0	0	0	0	0
0	20,000	0	0	0
424,553	0	17,844	0	0
461,504	228,307	196,076	81,831	45,609
(32,715)	4,037	26,652	11,533	(7,682)
180,617	1,284	143,228	81,718	2,667
\$147,902	\$5,321	\$169,880	\$93,251	(\$5,015)

(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, 2005

	Entry Year Teacher Grant	Autism Grant	Title V	Drug Free Schools
Revenues				
Intergovernmental	\$16,500	\$50,000	\$35,868	\$24,606
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>16,500</u>	<u>50,000</u>	<u>35,868</u>	<u>24,606</u>
Expenditures				
Current:				
Instruction:				
Regular	16,500	0	0	9,814
Special	0	12,972	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	29,524	31,685	7,243
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	4,383	134
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>16,500</u>	<u>42,496</u>	<u>36,068</u>	<u>17,191</u>
<i>Net Change in Fund Balance</i>	0	7,504	(200)	7,415
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,000</u>	<u>0</u>	<u>519</u>	<u>6,082</u>
<i>Fund Balances End of Year</i>	<u>\$2,000</u>	<u>\$7,504</u>	<u>\$319</u>	<u>\$13,497</u>

Ohio Reads	EMIS	Teacher Training and Development	School Professional Development	Technology IID
\$32,246	\$24,093	\$0	\$3,737	\$14,093
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
32,246	24,093	0	3,737	14,093
32,457	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	6,055	10,964
0	0	0	0	0
0	0	0	0	0
0	21,090	0	0	0
0	0	0	0	1,891
0	0	0	0	0
32,457	21,090	0	6,055	12,855
(211)	3,003	0	(2,318)	1,238
4,859	22,421	305	2,318	1,066
\$4,648	\$25,424	\$305	\$0	\$2,304

(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, 2005

	Parent Mentor Grant	School Improvement Grant	Safe School Helpline	Teacher Advancement Program
Revenues				
Intergovernmental	\$22,019	\$0	\$8,024	\$40,000
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>22,019</u>	<u>0</u>	<u>8,024</u>	<u>40,000</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	21,067	0	8,024	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>21,067</u>	<u>0</u>	<u>8,024</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	952	0	0	40,000
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,683</u>	<u>6</u>	<u>27</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$3,635</u></u>	<u><u>\$6</u></u>	<u><u>\$27</u></u>	<u><u>\$40,000</u></u>

Telecommunity Grant	Title IIA	Reading Intervention Grant	Title III	Total Nonmajor Special Revenue Funds
\$14,315	\$181,020	\$104,053	\$15,151	\$3,683,055
0	0	0	0	1,779
0	0	0	0	524,408
0	0	0	0	179,464
0	0	0	0	41,009
<u>14,315</u>	<u>181,020</u>	<u>104,053</u>	<u>15,151</u>	<u>4,429,715</u>
0	205,557	109,884	22,625	629,073
0	0	0	0	923,802
0	0	0	0	1,212
0	0	0	0	695,833
0	8,629	0	0	664,274
0	0	0	0	84,565
0	0	0	0	43,151
0	0	0	0	21,090
0	281	0	0	997,735
0	0	0	0	442,397
<u>0</u>	<u>214,467</u>	<u>109,884</u>	<u>22,625</u>	<u>4,503,132</u>
14,315	(33,447)	(5,831)	(7,474)	(73,417)
<u>56,534</u>	<u>25,937</u>	<u>9,762</u>	<u>5,198</u>	<u>761,954</u>
<u>\$70,849</u>	<u>(\$7,510)</u>	<u>\$3,931</u>	<u>(\$2,276)</u>	<u>\$688,537</u>

Berea City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2005

	Building	School Net	Network Connectivity
Assets			
Equity in Pooled Cash and Cash Equivalent:	\$5,615	\$6,044	\$12
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$4,320	\$0
Fund Balances			
Reserved for Encumbrances	1,753	0	0
Unreserved, Undesignated	3,862	1,724	12
<i>Total Fund Balances</i>	5,615	1,724	12
<i>Total Liabilities and Fund Balances</i>	\$5,615	\$6,044	\$12

Interactive Video Lab	Total Nonmajor Capital Projects Funds
<u>\$2,400</u>	<u>\$14,071</u>
<u>\$0</u>	<u>\$4,320</u>
0 <u>2,400</u>	1,753 <u>7,998</u>
<u>2,400</u>	<u>9,751</u>
<u>\$2,400</u>	<u>\$14,071</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, 2005

	Building	School Net
Revenues		
Intergovernmental	\$0	\$68,250
Interest	796	0
<i>Total Revenues</i>	796	68,250
Expenditures		
Capital Outlay	345,000	68,250
<i>Excess of Revenues Over (Under) Expenditures</i>	(344,204)	0
Other Financing Sources		
Proceeds of Bonds	345,000	0
<i>Net Change in Fund Balances</i>	796	0
<i>Fund Balances Beginning of Year</i>	4,819	1,724
<i>Fund Balances End of Year</i>	\$5,615	\$1,724

Network Connectivity	Interactive Video Lab	Total Nonmajor Capital Projects Funds
\$36,000	\$0	\$104,250
<u>0</u>	<u>0</u>	<u>796</u>
36,000	0	105,046
<u>38,479</u>	<u>0</u>	<u>451,729</u>
(2,479)	0	(346,683)
<u>0</u>	<u>0</u>	<u>345,000</u>
(2,479)	0	(1,683)
<u>2,491</u>	<u>2,400</u>	<u>11,434</u>
<u>\$12</u>	<u>\$2,400</u>	<u>\$9,751</u>



Bethany G. – 4th Grade
Fairwood Elementary School
Art Instructor: Maureen Byrne

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, 2005

	Food Service	Uniform School Supplies	Adult and Community Education	Total Nonmajor Enterprise Funds
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$328,313	\$32,537	\$358,440	\$719,290
Intergovernmental Receivable	76,693	0	550	77,243
Inventory Held for Resale	29,936	7,133	0	37,069
Materials and Supplies Inventory	18,367	0	0	18,367
<i>Total Current Assets</i>	453,309	39,670	358,990	851,969
Depreciable Capital Assets, Net	37,678	0	0	37,678
<i>Total Assets</i>	490,987	39,670	358,990	889,647
Liabilities				
Current Liabilities:				
Accounts Payable	28,916	0	9,167	38,083
Accrued Wages	10,225	0	51,671	61,896
Compensated Absences Payable	3,237	0	8,363	11,600
Intergovernmental Payable	99,285	0	53,187	152,472
Early Retirement Incentive Payable	4,200	0	0	4,200
<i>Total Current Liabilities</i>	145,863	0	122,388	268,251
Long-Term Liabilities:				
Compensated Absences Payable	114,691	0	85,885	200,576
<i>Total Liabilities</i>	260,554	0	208,273	468,827
Net Assets				
Invested in Capital Assets	37,678	0	0	37,678
Unrestricted	192,755	39,670	150,717	383,142
<i>Total Net Assets</i>	\$230,433	\$39,670	\$150,717	\$420,820

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, 2005*

	Food Service	Uniform School Supplies	Adult and Community Education	Total Nonmajor Enterprise Funds
Operating Revenues				
Tuition	\$0	\$0	\$1,078,185	\$1,078,185
Sales	1,346,640	52,895	0	1,399,535
Miscellaneous	9,848	0	0	9,848
<i>Total Operating Revenues</i>	<u>1,356,488</u>	<u>52,895</u>	<u>1,078,185</u>	<u>2,487,568</u>
Operating Expenses				
Salaries	793,885	0	701,511	1,495,396
Fringe Benefits	335,145	0	141,006	476,151
Purchased Services	48,274	0	105,316	153,590
Materials and Supplies	68,443	0	31,194	99,637
Cost of Sales	676,316	57,461	0	733,777
Depreciation	22,845	0	0	22,845
Other	0	0	7,892	7,892
<i>Total Operating Expenses</i>	<u>1,944,908</u>	<u>57,461</u>	<u>986,919</u>	<u>2,989,288</u>
<i>Operating Income (Loss)</i>	<u>(588,420)</u>	<u>(4,566)</u>	<u>91,266</u>	<u>(501,720)</u>
Non-Operating Revenues				
Donated Commodities	80,566	0	0	80,566
Operating Grants	508,204	0	0	508,204
Interest	5,543	0	0	5,543
<i>Total Non-Operating Revenues</i>	<u>594,313</u>	<u>0</u>	<u>0</u>	<u>594,313</u>
<i>Change in Net Assets</i>	5,893	(4,566)	91,266	92,593
<i>Net Assets Beginning of Year</i>	<u>224,540</u>	<u>44,236</u>	<u>59,451</u>	<u>328,227</u>
<i>Net Assets End of Year</i>	<u>\$230,433</u>	<u>\$39,670</u>	<u>\$150,717</u>	<u>\$420,820</u>

Berea City School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2005

	Food Service	Uniform School Supplies
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Customers	\$1,356,277	\$52,895
Cash Payments to Employees for Services	(781,875)	0
Cash Payments for Employee Benefits	(348,225)	0
Cash Payments for Goods and Services	(693,634)	(58,229)
Other Cash Payments	<u>0</u>	<u>0</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	(467,457)	(5,334)
Cash Flows from Noncapital Financing Activities		
Operating Grants Received	498,240	0
Cash Flows from Investing Activities		
Interest on Investments	<u>5,543</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	36,326	(5,334)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>291,987</u>	<u>37,871</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$328,313</u></u>	<u><u>\$32,537</u></u>

<u>Adult and Community Education</u>	<u>Total Nonmajor Enterprise Funds</u>
\$1,077,635	\$2,486,807
(682,159)	(1,464,034)
(139,916)	(488,141)
(136,250)	(888,113)
<u>(7,892)</u>	<u>(7,892)</u>
111,418	(361,373)
0	498,240
<u>0</u>	<u>5,543</u>
111,418	142,410
<u>247,022</u>	<u>576,880</u>
<u>\$358,440</u>	<u>\$719,290</u>

(continued)

Berea City School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Fiscal Year Ended June 30, 2005

	Food Service	Uniform School Supplies
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	(\$588,420)	(\$4,566)
Adjustments:		
Depreciation	22,845	0
Donated Commodities Received During Year	80,566	0
(Increase) Decrease in Assets:		
Intergovernmental Receivable	(211)	0
Inventory Held for Resale	2,166	(768)
Materials and Supplies Inventory	8,051	0
Increase (Decrease) in Liabilities:		
Accounts Payable	8,616	0
Accrued Wages	5,818	0
Compensated Absences Payable	15,012	0
Early Retirement Incentive Payable	(8,820)	0
Intergovernmental Payable	(13,080)	0
<i>Net Cash Provided by (Used in) Operating Activities</i>	<i>(\$467,457)</i>	<i>(\$5,334)</i>

Non Cash Non Capital Financing Activities:
 Federal Donated Commodities in the amount of \$80,566 were recorded as revenue when received in the food service fund.

Adult and Community Education	Total Nonmajor Enterprise Funds
\$91,266	(\$501,720)
0	22,845
0	80,566
(550)	(761)
0	1,398
0	8,051
3,667	12,283
13,190	19,008
10,362	25,374
(4,200)	(13,020)
(2,317)	(15,397)
<u>\$111,418</u>	<u>(\$361,373)</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, 2005

	Balance 6-30-04	Additions	Reductions	Balance 6-30-05
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$163,218	\$254,318	\$249,367	\$168,169
<i>Total Assets</i>	\$163,218	\$254,318	\$249,367	\$168,169
Liabilities				
Due to Students	\$163,218	\$254,318	\$249,367	\$168,169
<i>Total Liabilities</i>	\$163,218	\$254,318	\$249,367	\$168,169
<i>Employee Benefits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,454	\$86,805	\$82,319	\$12,940
<i>Total Assets</i>	\$8,454	\$86,805	\$82,319	\$12,940
Liabilities				
Undistributed Monies	\$8,454	\$86,805	\$82,319	\$12,940
<i>Total Liabilities</i>	\$8,454	\$86,805	\$82,319	\$12,940
<i>Staff Services</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,314	\$14,910	\$17,270	\$7,954
<i>Total Assets</i>	\$10,314	\$14,910	\$17,270	\$7,954
Liabilities				
Undistributed Monies	\$10,314	\$14,910	\$17,270	\$7,954
<i>Total Liabilities</i>	\$10,314	\$14,910	\$17,270	\$7,954

(continued)

Berea City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Balance</u> <u>6-30-04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6-30-05</u>
All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$181,986</u>	<u>\$356,033</u>	<u>\$348,956</u>	<u>\$189,063</u>
<i>Total Assets</i>	<u><u>\$181,986</u></u>	<u><u>\$356,033</u></u>	<u><u>\$348,956</u></u>	<u><u>\$189,063</u></u>
Liabilities				
Undistributed Monies	\$18,768	\$101,715	\$99,589	\$20,894
Due to Students	<u>163,218</u>	<u>254,318</u>	<u>249,367</u>	<u>168,169</u>
<i>Total Liabilities</i>	<u><u>\$181,986</u></u>	<u><u>\$356,033</u></u>	<u><u>\$348,956</u></u>	<u><u>\$189,063</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$56,263,982	\$54,910,000	\$55,250,941	\$340,941
Intergovernmental	14,844,223	15,212,279	14,209,095	(1,003,184)
Interest	174,192	178,511	243,933	65,422
Tuition and Fees	1,612,145	1,650,766	2,108,535	457,769
Extracurricular Activities	212,617	217,889	69,925	(147,964)
Rentals	61,671	63,200	32,284	(30,916)
Charges for Services	27,963	28,657	21,712	(6,945)
Contributions and Donations	13,577	13,914	8,085	(5,829)
Miscellaneous	202,040	207,049	169,243	(37,806)
<i>Total Revenues</i>	<u>73,412,410</u>	<u>72,482,265</u>	<u>72,113,753</u>	<u>(368,512)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	20,212,874	20,841,984	20,840,812	1,172
Fringe Benefits	9,112,306	9,395,920	9,395,247	673
Purchased Services	1,363,815	1,400,954	1,383,657	17,297
Materials and Supplies	1,072,361	998,533	858,441	140,092
Capital Outlay - New	77,139	72,959	65,036	7,923
Capital Outlay - Replacement	1,095	1,129	1,129	0
Other	70	72	42	30
Total Regular	<u>31,839,660</u>	<u>32,711,551</u>	<u>32,544,364</u>	<u>167,187</u>
Special:				
Salaries and Wages	4,295,036	4,428,716	4,404,730	23,986
Fringe Benefits	1,856,538	1,914,321	1,914,321	0
Purchased Services	111,138	114,230	113,046	1,184
Materials and Supplies	20,585	18,483	13,123	5,360
Capital Outlay - New	6,734	6,944	6,803	141
Capital Outlay - Replacement	4	2	2	0
Other	77	79	79	0
Total Special	<u>\$6,290,112</u>	<u>\$6,482,775</u>	<u>\$6,452,104</u>	<u>\$30,671</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Vocational:				
Salaries and Wages	\$656,457	\$676,889	\$606,269	\$70,620
Fringe Benefits	264,599	272,834	270,944	1,890
Materials and Supplies	2,573	2,653	895	1,758
Total Vocational	923,629	952,376	878,108	74,268
Total Instruction	39,053,401	40,146,702	39,874,576	272,126
Support Services:				
Pupil:				
Salaries and Wages	2,164,297	2,231,659	2,216,985	14,674
Fringe Benefits	941,206	970,500	970,500	0
Purchased Services	774,956	779,135	776,526	2,609
Materials and Supplies	26,959	27,011	18,826	8,185
Capital Outlay - New	0	0	0	0
Total Pupil	3,907,418	4,008,305	3,982,837	25,468
Instructional Staff:				
Salaries and Wages	3,827,492	3,946,620	3,946,619	1
Fringe Benefits	1,399,077	1,432,498	1,431,997	501
Purchased Services	191,383	151,892	146,243	5,649
Materials and Supplies	88,009	83,107	66,408	16,699
Capital Outlay - New	30,158	20,900	20,778	122
Capital Outlay - Replacement	727	750	0	750
Total Instructional Staff	5,536,846	5,635,767	5,612,045	23,722
Board of Education:				
Salaries and Wages	5,703	5,880	5,880	0
Fringe Benefits	811	836	836	0
Purchased Services	7,681	7,920	4,377	3,543
Materials and Supplies	385	397	355	42
Other	10,283	10,603	9,521	1,082
Total Board of Education	\$24,863	\$25,636	\$20,969	\$4,667

(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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Salaries and Wages	\$2,609,540	\$2,690,760	\$2,690,760	\$0
Fringe Benefits	1,113,394	1,148,048	1,148,048	0
Purchased Services	415,920	391,345	386,003	5,342
Materials and Supplies	24,633	22,404	15,732	6,672
Other	14,124	14,254	14,212	42
Total Administration	4,177,611	4,266,811	4,254,755	12,056
Fiscal:				
Salaries and Wages	375,818	387,515	387,203	312
Fringe Benefits	225,919	228,564	228,564	0
Purchased Services	62,840	61,452	59,305	2,147
Materials and Supplies	5,341	5,467	4,988	479
Other	921,296	949,971	949,971	0
Total Fiscal	1,591,214	1,632,969	1,630,031	2,938
Business:				
Salaries and Wages	185,551	191,326	191,326	0
Fringe Benefits	105,854	109,149	109,149	0
Purchased Services	449,524	368,694	343,081	25,613
Materials and Supplies	247,813	249,450	142,513	106,937
Capital Outlay - New	4,849	5,000	3,120	1,880
Capital Outlay - Replacement	6,764	6,975	765	6,210
Other	78,361	80,800	77,030	3,770
Total Business	1,078,716	1,011,394	866,984	144,410
Operation and Maintenance of Plant:				
Salaries and Wages	3,599,699	3,711,737	3,639,537	72,200
Fringe Benefits	1,699,104	1,751,987	1,751,987	0
Purchased Services	2,871,320	2,677,570	2,635,032	42,538
Materials and Supplies	412,330	380,813	376,825	3,988
Capital Outlay - New	8,881	8,332	5,980	2,352
Capital Outlay - Replacement	14,371	14,818	13,283	1,535
Other	14,547	15,000	14,604	396
Total Operation and Maintenance of Plant	\$8,620,252	\$8,560,257	\$8,437,248	\$123,009

(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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pupil Transportation:				
Salaries and Wages	\$2,136,828	\$2,203,335	\$2,203,335	\$0
Fringe Benefits	890,764	918,488	918,488	0
Purchased Services	290,151	289,532	200,154	89,378
Materials and Supplies	417,296	424,491	412,470	12,021
Capital Outlay - New	1,455	1,500	341	1,159
Capital Outlay - Replacement	1,455	1,500	1,079	421
Other	1,470	1,000	500	500
Total Pupil Transportation	3,739,419	3,839,846	3,736,367	103,479
Central:				
Salaries and Wages	1,021,665	1,053,464	1,053,464	0
Fringe Benefits	520,470	535,561	535,561	0
Purchased Services	826,807	775,461	724,571	50,890
Materials and Supplies	61,282	62,957	57,080	5,877
Capital Outlay - New	88,939	85,280	73,466	11,814
Capital Outlay - Replacement	18,364	16,430	15,260	1,170
Other	679	700	686	14
Total Central	2,538,206	2,529,853	2,460,088	69,765
Total Support Services	31,214,545	31,510,838	31,001,324	509,514
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	10,361	10,683	10,683	0
Fringe Benefits	111,384	114,851	114,851	0
Other	4,735	4,882	4,882	0
Total Operation of Non-Instructional Services	126,480	130,416	130,416	0
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	157,573	162,477	157,062	5,415
Fringe Benefits	78,171	80,604	74,165	6,439
Total Academic and Subject Oriented Activities	\$235,744	\$243,081	\$231,227	\$11,854

(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, 2005

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Sports Oriented Activities:				
Salaries and Wages	\$628,689	\$648,256	\$648,255	\$1
Fringe Benefits	283,078	291,889	291,889	0
Purchased Services	5,565	2,825	2,825	0
Materials and Supplies	522	538	538	0
Capital Outlay - New	41	0	0	0
Total Sports Oriented Activities	<u>917,895</u>	<u>943,508</u>	<u>943,507</u>	<u>1</u>
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	46,035	47,468	47,468	0
Fringe Benefits	7,481	7,714	7,714	0
Total School and Public Service				
Co-Curricular Activities	<u>53,516</u>	<u>55,182</u>	<u>55,182</u>	<u>0</u>
Total Extracurricular Activities	<u>1,207,155</u>	<u>1,241,771</u>	<u>1,229,916</u>	<u>11,855</u>
Total Expenditures	<u>71,601,581</u>	<u>73,029,727</u>	<u>72,236,232</u>	<u>793,495</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,810,829</u>	<u>(547,462)</u>	<u>(122,479)</u>	<u>424,983</u>
Other Financing Sources (Uses)				
Advances In	0	91,000	49,438	(41,562)
Advances Out	0	(108,295)	(108,295)	0
Transfers Out	0	(3,921)	0	3,921
Total Other Financing Sources (Uses)	<u>0</u>	<u>(21,216)</u>	<u>(58,857)</u>	<u>(37,641)</u>
Net Change in Fund Balance	<u>1,810,829</u>	<u>(568,678)</u>	<u>(181,336)</u>	<u>387,342</u>
Fund Balance Beginning of Year	<u>502,805</u>	<u>502,805</u>	<u>502,805</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>679,104</u>	<u>679,104</u>	<u>679,104</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,992,738</u>	<u>\$613,231</u>	<u>\$1,000,573</u>	<u>\$387,342</u>

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$1,296,610	\$1,300,000	\$1,304,354	\$4,354
Intergovernmental	149,609	159,744	155,390	(4,354)
<i>Total Revenues</i>	<u>1,446,219</u>	<u>1,459,744</u>	<u>1,459,744</u>	<u>0</u>
Expenditures				
Debt Service:				
Principal Retirement	780,538	1,285,000	1,285,000	0
Interest and Fiscal Charges	311,282	512,464	512,464	0
Bond Issuance Cost	0	0	28,941	(28,941)
<i>Total Expenditures</i>	<u>1,091,820</u>	<u>1,797,464</u>	<u>1,826,405</u>	<u>(28,941)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>354,399</u>	<u>(337,720)</u>	<u>(366,661)</u>	<u>(28,941)</u>
Other Financing Sources				
Bonds Issued	0	650,000	650,000	0
Premium on General Obligation Bonds	0	0	28,941	28,941
<i>Total Other Financing Sources</i>	<u>0</u>	<u>650,000</u>	<u>678,941</u>	<u>28,941</u>
<i>Net Change in Fund Balance</i>	354,399	312,280	312,280	0
<i>Fund Balance Beginning of Year</i>	<u>1,556,036</u>	<u>1,556,036</u>	<u>1,556,036</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,910,435</u>	<u>\$1,868,316</u>	<u>\$1,868,316</u>	<u>\$0</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$1,528,019	\$1,500,000	\$1,603,223	\$103,223
Intergovernmental	198,642	252,593	168,930	(83,663)
Interest	102	130	0	(130)
Miscellaneous	15,280	19,430	0	(19,430)
<i>Total Revenues</i>	<u>1,742,043</u>	<u>1,772,153</u>	<u>1,772,153</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	49,706	53,884	42,390	11,494
Capital Outlay - New	59,850	66,754	25,269	41,485
Capital Outlay - Replacement	556,637	584,455	570,975	13,480
Total Instructional Staff	666,193	705,093	638,634	66,459
Central:				
Purchased Services	130,900	146,000	145,993	7
Total Support Services	<u>797,093</u>	<u>851,093</u>	<u>784,627</u>	<u>66,466</u>
Capital Outlay:				
Architecture and Engineering Services:				
Capital Outlay - New	19,440	10,250	4,650	5,600
Building Improvement Services:				
Capital Outlay - New	2,163,380	1,604,108	1,510,895	93,213
Total Capital Outlay	<u>2,182,820</u>	<u>1,614,358</u>	<u>1,515,545</u>	<u>98,813</u>
Debt Service:				
Principal Retirement	150,000	150,000	150,000	0
Interest and Fiscal Charges	12,000	12,000	12,000	0
Total Debt Service	<u>162,000</u>	<u>162,000</u>	<u>162,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,141,913</u>	<u>2,627,451</u>	<u>2,462,172</u>	<u>165,279</u>
<i>Net Change in Fund Balance</i>	(1,399,870)	(855,298)	(690,019)	165,279
<i>Fund Balance Beginning of Year</i>	853,849	853,849	853,849	0
Prior Year Encumbrances Appropriated	769,451	769,451	769,451	0
<i>Fund Balance End of Year</i>	<u>\$223,430</u>	<u>\$768,002</u>	<u>\$933,281</u>	<u>\$165,279</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,618,171	\$1,618,170	\$1,618,170	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	2,830	10,000	2,720	7,280
Purchased Services	244,290	238,098	217,158	20,940
Materials and Supplies	95,182	95,349	91,003	4,346
Capital Outlay - New	102,868	106,290	105,285	1,005
Total Special	445,170	449,737	416,166	33,571
Other:				
Purchased Services	630	0	20,940	(20,940)
Total Instruction	445,800	449,737	437,106	12,631
Support Services:				
Pupil:				
Salaries and Wages	90,882	127,243	87,335	39,908
Fringe Benefits	48,092	56,351	46,215	10,136
Purchased Services	570,495	591,741	574,938	16,803
Total Pupil	709,469	775,335	708,488	66,847
Instructional Staff:				
Salaries and Wages	270,984	260,385	260,409	(24)
Fringe Benefits	31,322	30,100	30,100	0
Purchased Services	5,874	10,255	5,548	4,707
Total Instructional Staff	308,180	300,740	296,057	4,683
Administration:				
Salaries and Wages	46,646	45,316	44,826	490
Fringe Benefits	20,589	19,855	19,786	69
Total Administration	67,235	65,171	64,612	559
Pupil Transportation:				
Purchased Services	6,102	8,000	8,000	0
Total Support Services	\$1,090,986	\$1,149,246	\$1,077,157	\$72,089

(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, 2005*

	<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	<u>\$147,298</u>	<u>\$139,178</u>	<u>\$139,177</u>	<u>\$1</u>
Total Community Services	<u>147,298</u>	<u>139,178</u>	<u>139,177</u>	<u>1</u>
<i>Total Expenditures</i>	<u>1,684,084</u>	<u>1,738,161</u>	<u>1,653,440</u>	<u>84,721</u>
<i>Excess of Revenues Under Expenditures</i>	(65,913)	(119,991)	(35,270)	84,721
<i>Fund Balance Beginning of Year</i>	54,075	54,075	54,075	0
Prior Year Encumbrances Appropriated	<u>65,916</u>	<u>65,916</u>	<u>65,916</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$54,078</u></u>	<u><u>\$0</u></u>	<u><u>\$84,721</u></u>	<u><u>\$84,721</u></u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$698,418	\$700,537	\$700,987	\$450
Interest	1,582	1,779	1,779	0
<i>Total Revenues</i>	<u>700,000</u>	<u>702,316</u>	<u>702,766</u>	<u>450</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	55,437	50,528	50,528	0
Fringe Benefits	30,560	27,854	27,854	0
Purchased Services	337,962	303,954	303,949	5
Materials and Supplies	275,482	257,156	257,052	104
Capital Outlay - New	78,736	110,359	110,443	(84)
Capital Outlay - Replacement	224,088	216,943	216,743	200
<i>Total Expenditures</i>	<u>1,002,265</u>	<u>966,794</u>	<u>966,569</u>	<u>225</u>
<i>Excess of Revenues Over Expenditures</i>	(302,265)	(264,478)	(263,803)	675
Other Financing Sources				
Advances In	0	108,048	108,048	0
<i>Net Change in Fund Balance</i>	(302,265)	(156,430)	(155,755)	675
<i>Fund Balance Beginning of Year</i>	41,857	41,857	41,857	0
Prior Year Encumbrances Appropriated	121,242	121,242	121,242	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$139,166)</u>	<u>\$6,669</u>	<u>\$7,344</u>	<u>\$675</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$600,000	\$597,000	\$507,902	(\$89,098)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	392,408	450,141	339,016	111,125
Fringe Benefits	88,950	96,877	76,847	20,030
Purchased Services	12,627	19,372	10,236	9,136
Materials and Supplies	25,384	24,495	22,414	2,081
Capital Outlay - New	1,728	1,500	1,493	7
Total Instruction	521,097	592,385	450,006	142,379
Support Services:				
Instructional Staff:				
Salaries and Wages	18,699	16,155	16,155	0
Fringe Benefits	2,629	2,345	2,271	74
Purchased Services	2,452	3,590	3,122	468
Materials and Supplies	5,790	8,501	4,274	4,227
Capital Outlay - New	639	552	552	0
Total Support Services	30,209	31,143	26,374	4,769
Operation of Non-Instructional Services				
Community Services:				
Salaries and Wages	7,813	18,432	6,750	11,682
Fringe Benefits	1,340	1,287	1,158	129
Total Operation of Non-Instructional Services	9,153	19,719	7,908	11,811
<i>Total Expenditures</i>	560,459	643,247	484,288	158,959
<i>Net Change in Fund Balance</i>	39,541	(46,247)	23,614	69,861
<i>Fund Balance Beginning of Year</i>	41,981	41,981	41,981	0
Prior Year Encumbrances Appropriated	4,520	4,520	4,520	0
<i>Fund Balance End of Year</i>	\$86,042	\$254	\$70,115	\$69,861

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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Extracurricular Activities	\$445,466	\$372,824	\$372,824	\$0
Contributions and Donations	59,864	50,102	50,102	0
Miscellaneous	7,005	5,863	5,863	0
<i>Total Revenues</i>	<u>512,335</u>	<u>428,789</u>	<u>428,789</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Pupil:				
Materials and Supplies	568	676	676	0
Pupil Transportation:				
Purchased Services	30,856	40,391	36,275	4,116
Total Support Services	<u>31,424</u>	<u>41,067</u>	<u>36,951</u>	<u>4,116</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	1,176	1,400	1,400	0
Purchased Services	9,458	15,617	10,548	5,069
Materials and Supplies	65,242	111,560	74,491	37,069
Capital Outlay - New	2,128	5,177	2,534	2,643
Other	6,844	14,336	7,673	6,663
Total Academic and Subject Oriented Activities	<u>84,848</u>	<u>148,090</u>	<u>96,646</u>	<u>51,444</u>
Sports Oriented Activities:				
Salaries and Wages	7,238	8,143	8,618	(475)
Purchased Services	113,750	155,468	139,877	15,591
Materials and Supplies	156,820	216,552	197,264	19,288
Capital Outlay - New	1,431	1,704	1,704	0
Total Sports Oriented Activities	<u>279,239</u>	<u>381,867</u>	<u>347,463</u>	<u>34,404</u>
Total Extracurricular Activities	<u>364,087</u>	<u>529,957</u>	<u>444,109</u>	<u>85,848</u>
<i>Total Expenditures</i>	<u>\$395,511</u>	<u>\$571,024</u>	<u>\$481,060</u>	<u>\$89,964</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Net Change in Fund Balance</i>	\$116,824	(\$142,235)	(\$52,271)	\$89,964
<i>Fund Balance Beginning of Year</i>	178,224	178,224	178,224	0
Prior Year Encumbrances Appropriated	<u>10,511</u>	<u>10,511</u>	<u>10,511</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$305,559</u></u>	<u><u>\$46,500</u></u>	<u><u>\$136,464</u></u>	<u><u>\$89,964</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$232,344	\$229,361	\$232,344	\$2,983
Current:				
Instruction:				
Regular:				
Salaries and Wages	89,129	93,178	93,178	0
Fringe Benefits	29,406	30,744	30,742	2
Purchased Services	545	580	570	10
Total Instruction	<u>119,080</u>	<u>124,502</u>	<u>124,490</u>	<u>12</u>
Support Services:				
Pupil:				
Purchased Services	13,616	14,235	14,235	0
Materials and Supplies	1,192	5,344	2,995	2,349
Total Pupil	<u>14,808</u>	<u>19,579</u>	<u>17,230</u>	<u>2,349</u>
Instructional Staff:				
Salaries and Wages	42,431	44,359	44,359	0
Fringe Benefits	13,599	14,168	14,217	(49)
Total Instructional Staff	<u>56,030</u>	<u>58,527</u>	<u>58,576</u>	<u>(49)</u>
Administration:				
Salaries and Wages	17,026	17,799	17,799	0
Fringe Benefits	2,910	3,042	3,042	0
Materials and Supplies	606	637	596	41
Capital Outlay - New	3,815	1,950	1,950	0
Total Administration	<u>24,357</u>	<u>23,428</u>	<u>23,387</u>	<u>41</u>
Pupil Transportation:				
Purchased Services	968	1,011	1,012	(1)
Total Support Services	<u>96,163</u>	<u>102,545</u>	<u>100,205</u>	<u>2,340</u>
Operation of Non-Instructional Services				
Community Services:				
Purchased Services	19,131	20,000	20,000	0
Total Expenditures	<u>234,374</u>	<u>247,047</u>	<u>244,695</u>	<u>2,352</u>
Net Change in Fund Balance	(2,030)	(17,686)	(12,351)	5,335
Fund Balance Beginning of Year	15,655	15,655	15,655	0
Prior Year Encumbrances Appropriated	2,031	2,031	2,031	0
Fund Balance End of Year	<u>\$15,656</u>	<u>\$0</u>	<u>\$5,335</u>	<u>\$5,335</u>

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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Extracurricular Activities	\$232,779	\$151,584	\$151,584	\$0
Contributions and Donations	55,784	35,911	35,998	87
Miscellaneous	53,972	35,146	35,146	0
<i>Total Revenues</i>	<u>342,535</u>	<u>222,641</u>	<u>222,728</u>	<u>87</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	263	200	200	0
Fringe Benefits	2,624	1,996	1,789	207
Purchased Services	2,799	3,114	2,023	1,091
Materials and Supplies	33,176	34,350	26,121	8,229
Capital Outlay - New	4,821	6,122	6,122	0
Other	24,329	17,073	16,259	814
Total Instruction	<u>68,012</u>	<u>62,855</u>	<u>52,514</u>	<u>10,341</u>
Support Services:				
Pupil:				
Materials and Supplies	1,242	2,365	940	1,425
Instructional Staff:				
Purchased Services	56,227	79,117	49,973	29,144
Materials and Supplies	109,467	168,904	87,833	81,071
Capital Outlay - New	4,914	8,000	5,594	2,406
Capital Outlay - Replacement	1,157	6,784	880	5,904
Other	2,157	6,135	1,641	4,494
Total Instructional Staff	<u>173,922</u>	<u>268,940</u>	<u>145,921</u>	<u>123,019</u>
Total Support Services	<u>\$175,164</u>	<u>\$271,305</u>	<u>\$146,861</u>	<u>\$124,444</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, 2005*

	<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	\$907	\$1,088	\$650	\$438
Other	595	576	453	123
Total Academic and Subject Oriented Activities	<u>1,502</u>	<u>1,664</u>	<u>1,103</u>	<u>561</u>
School and Public Service Co-Curricular Activities:				
Purchased Services	116	100	50	50
Materials and Supplies	20,699	26,842	17,115	9,727
Total School and Public Service Co-Curricular Activities	<u>20,815</u>	<u>26,942</u>	<u>17,165</u>	<u>9,777</u>
Total Extracurricular Activities	<u>22,317</u>	<u>28,606</u>	<u>18,268</u>	<u>10,338</u>
<i>Total Expenditures</i>	<u>265,493</u>	<u>362,766</u>	<u>217,643</u>	<u>145,123</u>
<i>Net Change in Fund Balance</i>	77,042	(140,125)	5,085	145,210
<i>Fund Balance Beginning of Year</i>	136,936	136,936	136,936	0
Prior Year Encumbrances Appropriated	<u>15,494</u>	<u>15,494</u>	<u>15,494</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$229,472</u></u>	<u><u>\$12,305</u></u>	<u><u>\$157,515</u></u>	<u><u>\$145,210</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$278,810	\$105,072	\$97,484	(\$7,588)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	25,194	38,350	35,630	2,720
Fringe Benefits	4,434	6,271	6,271	0
Purchased Services	778	9,895	1,100	8,795
Materials and Supplies	21,087	73,753	28,910	44,843
Capital Outlay - New	5,179	15,616	7,325	8,291
Other	354	3,500	500	3,000
Total Regular	<u>57,026</u>	<u>147,385</u>	<u>79,736</u>	<u>67,649</u>
Special:				
Materials and Supplies	1,186	2,013	1,802	211
Vocational:				
Purchased Services	424	1,440	1,169	271
Materials and Supplies	1,244	861	856	5
Total Vocational	<u>1,668</u>	<u>2,301</u>	<u>2,025</u>	<u>276</u>
Total Instruction	<u>59,880</u>	<u>151,699</u>	<u>83,563</u>	<u>68,136</u>
Support Services:				
Pupil:				
Materials and Supplies	0	3,235	0	3,235
Capital Outlay - New	0	28	0	28
Total Pupil	<u>\$0</u>	<u>\$3,263</u>	<u>\$0</u>	<u>\$3,263</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, 2005*

	<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	\$0	\$105	\$0	\$105
Fringe Benefits	1,295	1,289	537	752
Purchased Services	1,286	3,351	647	2,704
Materials and Supplies	2,494	6,135	2,876	3,259
Other	0	500	0	500
<u>Total Instructional Staff</u>	<u>5,075</u>	<u>11,380</u>	<u>4,060</u>	<u>7,320</u>
<u>Total Support Services</u>	<u>5,075</u>	<u>14,643</u>	<u>4,060</u>	<u>10,583</u>
Operation of Non-Instructional Services				
Community Services:				
Capital Outlay - New	171	171	0	171
<u>Total Operation of Non-Instructional Services</u>	<u>171</u>	<u>171</u>	<u>0</u>	<u>171</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Materials and Supplies	0	5	0	5
<u>Total Extracurricular Activities</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>5</u>
<u>Total Expenditures</u>	<u>65,126</u>	<u>166,518</u>	<u>87,623</u>	<u>78,895</u>
<i>Net Change in Fund Balance</i>	213,684	(61,446)	9,861	71,307
<i>Fund Balance Beginning of Year</i>	77,818	77,818	77,818	0
Prior Year Encumbrances Appropriated	4,453	4,453	4,453	0
<i>Fund Balance End of Year</i>	<u>\$295,955</u>	<u>\$20,825</u>	<u>\$92,132</u>	<u>\$71,307</u>

Berea City School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Preschool Fund
 For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$53,000	\$57,390	\$37,927	(\$19,463)
Expenditures				
Current:				
Instruction:				
Special:				
Materials and Supplies	0	3,974	0	3,974
Support Services:				
Pupil:				
Salaries and Wages	21,223	23,371	18,554	4,817
Fringe Benefits	4,782	4,909	4,181	728
Total Pupil	26,005	28,280	22,735	5,545
Instructional Staff:				
Salaries and Wages	4,757	9,705	4,159	5,546
Fringe Benefits	612	573	535	38
Purchased Services	2,542	2,222	2,222	0
Materials and Supplies	11,510	10,733	8,948	1,785
Capital Outlay - New	7,286	5,690	5,385	305
Total Instructional Staff	26,707	28,923	21,249	7,674
Total Support Services	52,712	57,203	43,984	13,219
<i>Total Expenditures</i>	52,712	61,177	43,984	17,193
<i>Net Change in Fund Balance</i>	288	(3,787)	(6,057)	(2,270)
<i>Fund Balance Beginning of Year</i>	4,491	4,491	4,491	0
Prior Year Encumbrances Appropriated	3,253	3,253	3,253	0
<i>Fund Balance End of Year</i>	\$8,032	\$3,957	\$1,687	(\$2,270)

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$16,500	\$16,500	\$16,500	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	<u>16,500</u>	<u>16,500</u>	<u>16,500</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$50,000	\$0
Expenditures				
Current:				
Special:				
Salaries and Wages	12,470	15,545	9,995	5,550
Fringe Benefits	2,878	4,025	2,307	1,718
Total Instruction	15,348	19,570	12,302	7,268
Support Services:				
Instructional Staff:				
Salaries and Wages	1,976	3,478	1,584	1,894
Fringe Benefits	237	190	190	0
Purchased Services	8,412	6,742	6,742	0
Materials and Supplies	17,971	15,154	14,901	253
Capital Outlay - New	6,056	4,866	4,854	12
Total Support Services	34,652	30,430	28,271	2,159
<i>Total Expenditures</i>	50,000	50,000	40,573	9,427
<i>Net Change in Fund Balance</i>	0	0	9,427	9,427
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$9,427	\$9,427

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$35,869	\$35,869	\$35,868	(\$1)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	29,849	32,205	32,071	134
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	4,761	4,783	4,763	20
Capital Outlay - New	4,631	2,407	2,407	0
Total Operation of Non-Instructional Services	9,392	7,190	7,170	20
<i>Total Expenditures</i>	39,241	39,395	39,241	154
<i>Net Change in Fund Balance</i>	(3,372)	(3,526)	(3,373)	153
<i>Fund Balance Beginning of Year</i>	153	153	153	0
Prior Year Encumbrances Appropriated	3,374	3,374	3,374	0
<i>Fund Balance End of Year</i>	\$155	\$1	\$154	\$153

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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$26,000	\$24,607	\$24,606	(\$1)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,075	4,467	4,467	0
Fringe Benefits	2,281	2,667	1,262	1,405
Materials and Supplies	1,783	506	506	0
Total Instruction	12,139	7,640	6,235	1,405
Support Services:				
Instructional Staff:				
Salaries and Wages	12,789	14,075	14,075	0
Purchased Services	324	3,058	3,047	11
Materials and Supplies	0	6,117	6,043	74
Total Support Services	13,113	23,250	23,165	85
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	242	220	170	50
Total Expenditures	25,494	31,110	29,570	1,540
<i>Net Change in Fund Balance</i>	506	(6,503)	(4,964)	1,539
<i>Fund Balance Beginning of Year</i>	5,615	5,615	5,615	0
Prior Year Encumbrances Appropriated	888	888	888	0
Fund Balance End of Year	\$7,009	\$0	\$1,539	\$1,539

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$21,000	\$32,247	\$32,246	(\$1)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	9,642	16,015	15,457	558
Fringe Benefits	215	430	344	86
Materials and Supplies	11,459	17,372	17,372	0
Other	1,018	1,443	1,443	0
<i>Total Expenditures</i>	<u>22,334</u>	<u>35,260</u>	<u>34,616</u>	<u>644</u>
<i>Net Change in Fund Balance</i>	(1,334)	(3,013)	(2,370)	643
<i>Fund Balance Beginning of Year</i>	5,217	5,217	5,217	0
Prior Year Encumbrances Appropriated	<u>1,334</u>	<u>1,334</u>	<u>1,334</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,217</u></u>	<u><u>\$3,538</u></u>	<u><u>\$4,181</u></u>	<u><u>\$643</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$75,494	\$24,093	\$24,093	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	5,663	5,871	4,602	1,269
Materials and Supplies	9,367	19,551	15,996	3,555
Capital Outlay - New	690	2,631	2,585	46
<i>Total Expenditures</i>	<u>15,720</u>	<u>28,053</u>	<u>23,183</u>	<u>4,870</u>
<i>Net Change in Fund Balance</i>	59,774	(3,960)	910	4,870
<i>Fund Balance Beginning of Year</i>	12,333	12,333	12,333	0
Prior Year Encumbrances Appropriated	<u>10,088</u>	<u>10,088</u>	<u>10,088</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$82,195</u></u>	<u><u>\$18,461</u></u>	<u><u>\$23,331</u></u>	<u><u>\$4,870</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
<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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$15,902</u>	<u>\$3,737</u>	<u>\$3,737</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	1,063	1,554	1,554	0
Purchased Services	<u>3,077</u>	<u>4,501</u>	<u>4,501</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,140</u>	<u>6,055</u>	<u>6,055</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	11,762	(2,318)	(2,318)	0
<i>Fund Balance Beginning of Year</i>	<u>2,318</u>	<u>2,318</u>	<u>2,318</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14,080</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
Technology IID Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$14,717	\$22,136	\$14,093	(\$8,043)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	3,537	5,537	1,373	4,164
Fringe Benefits	1,086	1,700	193	1,507
Purchased Services	6,096	9,294	6,033	3,261
Materials and Supplies	353	552	5	547
Capital Outlay - New	2,555	4,000	3,360	640
Total Support Services	13,627	21,083	10,964	10,119
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	404	633	633	0
Materials and Supplies	284	445	378	67
Capital Outlay - New	562	880	880	0
Total Operation of Non-Instructional Services	1,250	1,958	1,891	67
<i>Total Expenditures</i>	14,877	23,041	12,855	10,186
<i>Net Change in Fund Balance</i>	(160)	(905)	1,238	2,143
<i>Fund Balance Beginning of Year</i>	906	906	906	0
Prior Year Encumbrances Appropriated	160	160	160	0
<i>Fund Balance End of Year</i>	\$906	\$161	\$2,304	\$2,143

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$25,000	\$22,046	\$22,019	(\$27)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	19,678	18,648	18,152	496
Fringe Benefits	314	2,901	290	2,611
Purchased Services	2,338	2,057	1,573	484
Materials and Supplies	3,788	2,505	2,586	(81)
<i>Total Expenditures</i>	26,118	26,111	22,601	3,510
<i>Net Change in Fund Balance</i>	(1,118)	(4,065)	(582)	3,483
<i>Fund Balance Beginning of Year</i>	2,358	2,358	2,358	0
Prior Year Encumbrances Appropriated	1,743	1,743	1,743	0
<i>Fund Balance End of Year</i>	\$2,983	\$36	\$3,519	\$3,483

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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	6	6	6	0
<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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$8,000	\$7,997	\$8,024	\$27
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>8,024</u>	<u>8,024</u>	<u>8,024</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(24)	(27)	0	27
<i>Fund Balance Beginning of Year</i>	<u>27</u>	<u>27</u>	<u>27</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3</u></u>	<u><u>\$0</u></u>	<u><u>\$27</u></u>	<u><u>\$27</u></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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$56,634	\$40,000	\$40,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	17,425	17,425	0	17,425
Fringe Benefits	3,075	3,075	0	3,075
Purchased Services	15,100	15,100	0	15,100
Materials and Supplies	2,000	2,000	0	2,000
Total Instruction	37,600	37,600	0	37,600
Support Services:				
Business:				
Purchased Services	2,400	2,400	0	2,400
Total Support Services	2,400	2,400	0	2,400
<i>Total Expenditures</i>	40,000	40,000	0	40,000
<i>Net Change in Fund Balance</i>	16,634	0	40,000	40,000
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$16,634	\$0	\$40,000	\$40,000

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$14,315	\$14,315	\$14,315	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	3,286	7,161	0	7,161
Fringe Benefits	689	1,501	0	1,501
Purchased Services	11,215	24,440	0	24,440
Materials and Supplies	1,265	2,757	0	2,757
<i>Total Expenditures</i>	<u>16,455</u>	<u>35,859</u>	<u>0</u>	<u>35,859</u>
<i>Net Change in Fund Balance</i>	(2,140)	(21,544)	14,315	35,859
<i>Fund Balance Beginning of Year</i>	54,394	54,394	54,394	0
Prior Year Encumbrances Appropriated	<u>2,140</u>	<u>2,140</u>	<u>2,140</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$54,394</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$178,366</u>	<u>\$178,849</u>	<u>\$156,848</u>	<u>(\$22,001)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	143,164	181,563	179,446	2,117
Fringe Benefits	<u>22,319</u>	<u>28,305</u>	<u>28,305</u>	<u>0</u>
Total Instruction	165,483	209,868	207,751	2,117
Support Services:				
Instructional Staff:				
Purchased Services	19,362	15,124	11,330	3,794
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	<u>1,094</u>	<u>1,214</u>	<u>281</u>	<u>933</u>
<i>Total Expenditures</i>	<u>185,939</u>	<u>226,206</u>	<u>219,362</u>	<u>6,844</u>
<i>Net Change in Fund Balance</i>	(7,573)	(47,357)	(62,514)	(15,157)
<i>Fund Balance Beginning of Year</i>	47,928	47,928	47,928	0
Prior Year Encumbrances Appropriated	<u>7,574</u>	<u>7,574</u>	<u>7,574</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$47,929</u></u>	<u><u>\$8,145</u></u>	<u><u>(\$7,012)</u></u>	<u><u>(\$15,157)</u></u>

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$132,898	\$152,997	\$152,997	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	81,484	84,437	86,552	(2,115)
Fringe Benefits	11,408	18,163	12,118	6,045
Materials and Supplies	82,443	43,891	43,890	1
<i>Total Expenditures</i>	175,335	146,491	142,560	3,931
<i>Excess of Revenues Over (Under)Expenditures</i>	(42,437)	6,506	10,437	3,931
Other Financing Uses				
Advances Out	0	(48,944)	(48,944)	0
<i>Net Change in Fund Balance</i>	(42,437)	(42,438)	(38,507)	3,931
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	42,438	42,438	42,438	0
<i>Fund Balance End of Year</i>	\$1	\$0	\$3,931	\$3,931

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$51,000	\$20,902	\$20,655	(\$247)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	5,555	11,000	8,901	2,099
Fringe Benefits	1,199	3,248	1,921	1,327
Purchased Services	2,169	4,040	3,476	564
Materials and Supplies	3,880	6,277	6,218	59
Capital Outlay - New	3,869	2,316	2,316	0
Total Instruction	16,672	26,881	22,832	4,049
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	0	200	0	200
<i>Total Expenditures</i>	16,672	27,081	22,832	4,249
<i>Excess of Revenues Over (Under) Expenditures</i>	34,328	(6,179)	(2,177)	4,002
Other Financing Sources (Uses)				
Advances In	0	0	247	247
Advances Out	0	(494)	(494)	0
<i>Total Other Financing Sources (Uses)</i>	0	(494)	(247)	247
<i>Net Change in Fund Balance</i>	34,328	(6,673)	(2,424)	4,249
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	2,424	2,424	2,424	0
<i>Fund Balance (Deficit) End of Year</i>	\$36,752	(\$4,249)	\$0	\$4,249

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$796	\$796	\$0
Expenditures				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	1,084	1,084	1,084	0
Building Improvement Services:				
Capital Outlay - New	669	345,669	345,669	0
<i>Total Expenditures</i>	1,753	346,753	346,753	0
<i>Excess of Revenues Under Expenditures</i>	(1,753)	(345,957)	(345,957)	0
Other Financing Sources				
Proceeds of Bonds	350,000	345,000	345,000	0
<i>Net Change in Fund Balance</i>	348,247	(957)	(957)	0
<i>Fund Balance Beginning of Year</i>	3,066	3,066	3,066	0
Prior Year Encumbrances Appropriated	1,753	1,753	1,753	0
<i>Fund Balance End of Year</i>	<u>\$353,066</u>	<u>\$3,862</u>	<u>\$3,862</u>	<u>\$0</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$68,250	\$68,250	\$68,250	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	<u>68,250</u>	<u>68,250</u>	<u>68,250</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>1,724</u>	<u>1,724</u>	<u>1,724</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,724</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$36,000	\$36,000	\$0
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	176	123	123	0
Capital Outlay - Replacement	65,793	46,002	45,990	12
Total Operation and Maintenance of Plant	65,969	46,125	46,113	12
Central:				
Purchased Services	15,498	36,000	36,000	0
Capital Outlay - New	2,144	1,499	1,499	0
<i>Total Expenditures</i>	83,611	83,624	83,612	12
<i>Net Change in Fund Balance</i>	(33,611)	(47,624)	(47,612)	12
<i>Fund Balance Beginning of Year</i>	13	13	13	0
Prior Year Encumbrances Appropriated	47,611	47,611	47,611	0
<i>Fund Balance End of Year</i>	\$14,013	\$0	\$12	\$12

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,400	\$2,400	\$0	(\$2,400)
Expenditures				
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	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<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>\$2,400</u></u>	<u><u>\$2,400</u></u>	<u><u>\$0</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Sales	\$1,758,243	\$1,701,795	\$1,346,429	(\$355,366)
Interest	6,084	5,889	5,543	(346)
Miscellaneous	1,217	1,178	9,848	8,670
Operating Grants	507,402	491,113	498,240	7,127
<i>Total Revenues</i>	2,272,946	2,199,975	1,860,060	(339,915)
Expenses				
Salaries:				
Food Service Operations	766,639	857,000	781,875	75,125
Fringe Benefits:				
Food Service Operations	394,686	441,206	348,313	92,893
Purchased Services:				
Food Service Operations	146,976	156,688	142,443	14,245
Materials and Supplies:				
Food Service Operations	860,288	944,409	665,391	279,018
<i>Total Expenses</i>	2,168,589	2,399,303	1,938,022	461,281
<i>Net Change in Fund Equity</i>	104,357	(199,328)	(77,962)	121,366
<i>Fund Equity Beginning of Year</i>	269,722	269,722	269,722	0
Prior Year Encumbrances Appropriated	22,265	22,265	22,265	0
<i>Fund Equity End of Year</i>	\$396,344	\$92,659	\$214,025	\$121,366

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales	\$91,087	\$52,895	\$52,895	\$0
Expenses:				
Materials and Supplies:				
Regular Instruction	<u>50,436</u>	<u>62,423</u>	<u>58,590</u>	<u>3,833</u>
<i>Net Change in Fund Equity</i>	40,651	(9,528)	(5,695)	3,833
<i>Fund Equity Beginning of Year</i>	37,435	37,435	37,435	0
Prior Year Encumbrances Appropriated	<u>436</u>	<u>436</u>	<u>436</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$78,522</u></u>	<u><u>\$28,343</u></u>	<u><u>\$32,176</u></u>	<u><u>\$3,833</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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Tuition	\$1,157,961	\$1,077,635	\$1,077,635	\$0
Expenses				
Salaries:				
Adult/Continuing Instruction	94,856	102,270	89,287	12,983
Community Services	580,064	625,400	592,872	32,528
Total Salaries	674,920	727,670	682,159	45,511
Fringe Benefits:				
Adult/Continuing Instruction	23,438	25,270	24,390	880
Community Services	154,115	166,160	115,576	50,584
Total Fringe Benefits	177,553	191,430	139,966	51,464
Purchased Services:				
Adult/Continuing Instruction	107,248	105,083	100,146	4,937
Community Services	52,234	52,850	15,454	37,396
Total Purchased Services	159,482	157,933	115,600	42,333
Materials and Supplies:				
Adult/Continuing Instruction	4,108	4,258	977	3,281
Community Services	53,265	46,882	31,433	15,449
Total Materials and Supplies	57,373	51,140	32,410	18,730
Other:				
Adult/Continuing Instruction	4,081	4,400	3,334	1,066
Community Services	2,783	3,000	4,558	(1,558)
Total Other	6,864	7,400	7,892	(492)
<i>Total Expenses</i>	1,076,192	1,135,573	978,027	157,546
<i>Net Change in Fund Equity</i>	81,769	(57,938)	99,608	157,546
<i>Fund Equity Beginning of Year</i>	224,084	224,084	224,084	0
Prior Year Encumbrances Appropriated	22,938	22,938	22,938	0
<i>Fund Equity End of Year</i>	\$328,791	\$189,084	\$346,630	\$157,546

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, 2005

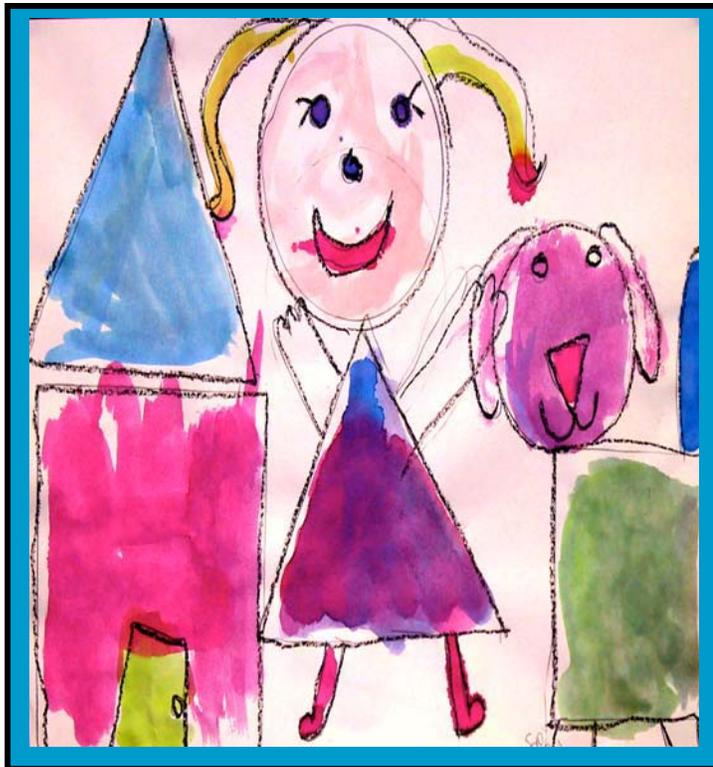
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	<u>\$9,000,000</u>	<u>\$8,920,000</u>	<u>\$8,813,835</u>	<u>(\$106,165)</u>
Expenses				
Fringe Benefits:				
Central Support Services	6,314,741	8,119,685	7,230,973	888,712
Purchased Services:				
Central Support Services	<u>721,463</u>	<u>800,000</u>	<u>826,143</u>	<u>(26,143)</u>
Total Expenses	<u>7,036,204</u>	<u>8,919,685</u>	<u>8,057,116</u>	<u>862,569</u>
<i>Net Change in Fund Equity</i>	1,963,796	315	756,719	756,404
<i>Fund Equity Beginning of Year</i>	157,179	157,179	157,179	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,120,975</u></u>	<u><u>\$157,494</u></u>	<u><u>\$913,898</u></u>	<u><u>\$756,404</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$675	\$675	\$257	(\$418)
Expenses:				
Other:				
Regular Instruction	675	105	105	0
<i>Net Change In Fund Balance</i>	0	570	152	(418)
<i>Fund Balance Beginning of Year</i>	12,980	12,980	12,980	0
<i>Fund Balance End of Year</i>	<u>\$12,980</u>	<u>\$13,550</u>	<u>\$13,132</u>	<u>(\$418)</u>

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STATISTICAL SECTION



Sophia B. – Kindergarten
Big Creek Elementary School
Art Instructor: Kathy Jadud

Statistical Section

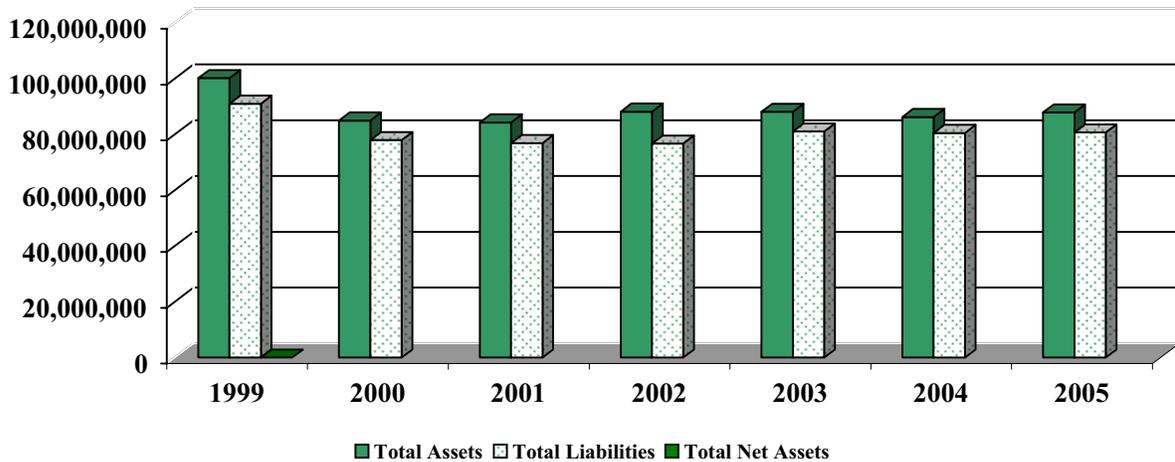
This part of the Berea City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial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

<u>Contents</u>	<u>Page(s)</u>
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.	S28 - S41

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 2001; schedules presenting government-wide information include information beginning in that year.

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Governmental Activities:					
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>
Business-Type Activities:					
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>
Primary Government					
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>



2004	2005
\$4,675,106	\$4,195,154
1,274,847	1,340,582
1,749,312	2,078,188
433,879	74,709
811,572	952,118
<u>(4,937,796)</u>	<u>(1,921,002)</u>
4,006,920	6,719,749
153,583	37,678
<u>267,704</u>	<u>383,142</u>
421,287	420,820
4,828,689	4,232,832
1,274,847	1,340,582
1,749,312	2,078,188
433,879	74,709
811,572	952,118
<u>(4,670,092)</u>	<u>(1,537,860)</u>
<u>\$4,428,207</u>	<u>\$7,140,569</u>

Berea City School District

*Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)*

	1999	2000	2001	2002
Expenses				
Governmental Activities:				
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>
Business-Type Activities:				
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>
Program Revenues				
Governmental Activities:				
Charges for Services:				
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
Operating Grants and Contributions				
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
Capital Grants and Contributions				
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
\$33,232,246	\$37,751,017	\$34,338,566
6,578,655	6,520,781	7,717,637
716,389	776,375	924,127
0	2,084	0
4,476,444	4,688,217	4,606,812
6,171,146	6,831,035	6,151,213
16,083	43,963	20,978
3,903,379	4,269,239	4,426,155
1,414,721	1,540,926	1,623,561
932,494	932,516	785,456
7,654,007	8,363,682	7,875,127
3,589,025	3,476,174	3,821,365
1,670,260	2,006,840	2,139,079
826,940	657,734	1,109,590
1,325,683	1,691,989	1,578,275
0	0	0
545,120	534,592	517,681
<u>73,052,592</u>	<u>80,087,164</u>	<u>77,635,622</u>
2,291,722	2,189,462	1,944,908
40,013	36,284	57,461
1,003,407	1,023,773	986,919
<u>3,335,142</u>	<u>3,249,519</u>	<u>2,989,288</u>
<u>76,387,734</u>	<u>83,336,683</u>	<u>80,624,910</u>
350,625	911,564	916,253
564,515	519,632	1,114,791
0	0	0
4,279	2,548	1,273
92,976	131,794	103,405
84,419	137,073	150,328
158,178	52,581	44,125
50,775	36,677	58,174
0	0	0
289,971	421,237	426,693
428,407	587,622	624,338
572,640	710,957	994,755
28,766	47,438	1,383
0	0	0
444,012	607,097	712,155
569,345	516,951	587,840
83,342	65,743	86,246
0	0	0
218,762	34,664	42,117
27,837	28,158	26,493
793,504	744,937	1,000,307
46,293	81,893	49,367
0	0	0
113,152	0	68,250
45,500	37,888	19,854
0	0	0
0	1,112	16,146
<u>\$4,967,298</u>	<u>\$5,677,566</u>	<u>\$7,044,293</u>

(continued)

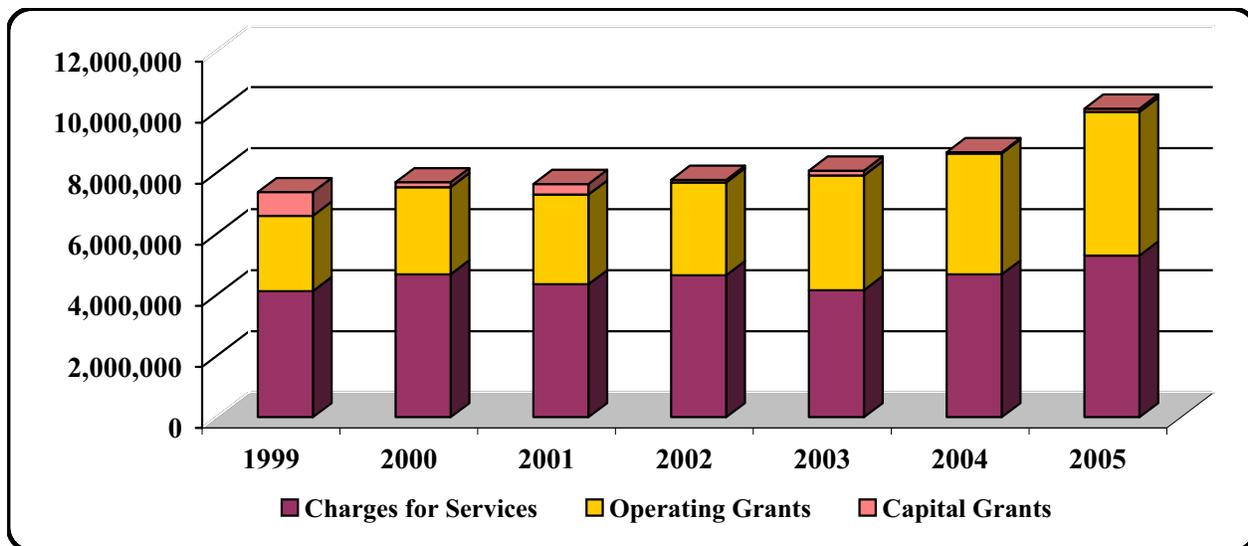
Berea City School District
Changes in Net Assets (continued)
Last Seven Fiscal Years
(accrual basis of accounting)

	1999	2000	2001	2002
Business-Type Activities:				
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>
Net (Expense)/Revenue				
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>
General Revenues and Other Changes in Net Assets				
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>
Change in Net Assets				
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>
\$1,474,696	\$1,411,480	\$1,346,640
40,958	49,695	52,895
1,052,129	1,003,513	1,078,185
<u>541,393</u>	<u>541,589</u>	<u>588,770</u>
<u>3,109,176</u>	<u>3,006,277</u>	<u>3,066,490</u>
<u>8,076,474</u>	<u>8,683,843</u>	<u>10,110,783</u>
(68,085,294)	(74,409,598)	(70,591,329)
<u>(225,966)</u>	<u>(243,242)</u>	<u>77,202</u>
<u>(68,311,260)</u>	<u>(74,652,840)</u>	<u>(70,514,127)</u>
47,972,554	56,243,592	55,412,839
1,071,618	1,299,561	1,320,217
1,463,284	1,648,807	1,621,200
13,068,487	14,713,414	14,482,803
0	0	0
0	0	8,085
0	0	0
188,228	136,001	248,725
<u>316,684</u>	<u>236,263</u>	<u>210,289</u>
<u>64,080,855</u>	<u>74,277,638</u>	<u>73,304,158</u>
6,994	4,115	5,543
<u>0</u>	<u>0</u>	<u>9,848</u>
<u>6,994</u>	<u>4,115</u>	<u>15,391</u>
<u>64,087,849</u>	<u>74,281,753</u>	<u>73,319,549</u>
(4,004,439)	(131,960)	2,712,829
<u>(218,972)</u>	<u>(239,127)</u>	<u>92,593</u>
<u>(\$4,223,411)</u>	<u>(\$371,087)</u>	<u>\$2,805,422</u>

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

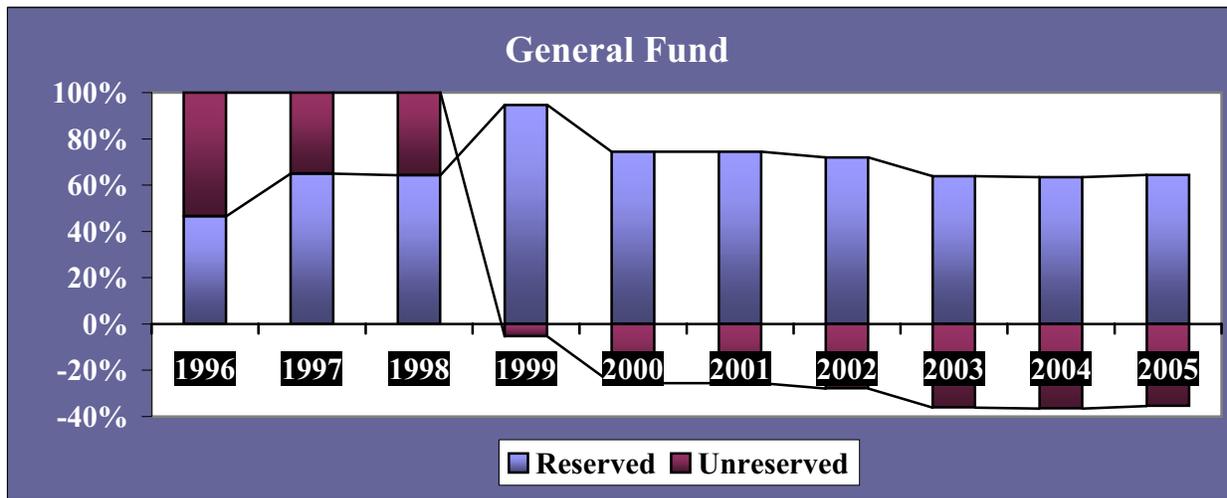
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Governmental Activities				
Regular Instruction	\$1,340,857	\$1,063,926	\$1,049,357	\$697,438
Special Instruction	983,145	1,281,791	1,001,422	1,361,114
Vocational Instruction	53,701	0	0	16,307
Adult/Continuing Instruction	66,241	24,584	38,826	280
Pupil 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>
Business-Type Activities				
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>



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

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

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
General Fund				
Reserved	\$3,359,248	\$4,187,518	\$3,543,477	\$6,079,063
Unreserved (Deficit)	<u>3,001,452</u>	<u>4,273,292</u>	<u>3,417,632</u>	<u>(824,062)</u>
<i>Total General Fund</i>	<u>6,360,700</u>	<u>8,460,810</u>	<u>6,961,109</u>	<u>5,255,001</u>
All Other Governmental Funds				
Reserved	884,296	2,759,496	1,363,608	1,138,337
Unreserved, Undesignated, Reported in:				
Special Revenue funds	596,603	411,967	565,804	338,396
Debt Service funds	456,656	520,222	510,323	538,863
Capital Projects funds (Deficit)	<u>808,115</u>	<u>(1,460,314)</u>	<u>(1,764,811)</u>	<u>(461,475)</u>
Total All Other Governmental Funds	<u>2,745,670</u>	<u>2,231,371</u>	<u>674,924</u>	<u>1,554,121</u>
<i>Total Governmental Funds</i>	<u><u>\$9,106,370</u></u>	<u><u>\$10,692,181</u></u>	<u><u>\$7,636,033</u></u>	<u><u>\$6,809,122</u></u>



2000	2001	2002	2003	2004	2005
\$5,357,559 <u>(3,570,251)</u>	\$6,452,235 <u>(4,865,686)</u>	\$7,568,244 <u>(5,422,877)</u>	\$5,898,923 <u>(6,294,979)</u>	\$7,833,194 <u>(7,713,499)</u>	\$8,016,209 <u>(7,931,499)</u>
<u>1,787,308</u>	<u>1,586,549</u>	<u>2,145,367</u>	<u>(396,056)</u>	<u>119,695</u>	<u>84,710</u>
1,201,937	1,039,276	2,202,995	1,026,334	1,265,407	866,610
590,154 640,630 <u>(75,549)</u>	442,306 751,991 <u>1,093,369</u>	483,600 905,015 <u>238,417</u>	391,022 1,258,445 <u>718,335</u>	600,851 1,570,200 <u>304,250</u>	493,328 1,872,347 <u>751,238</u>
<u>2,357,172</u>	<u>3,326,942</u>	<u>3,830,027</u>	<u>3,394,136</u>	<u>3,740,708</u>	<u>3,983,523</u>
<u>\$4,144,480</u>	<u>\$4,913,491</u>	<u>\$5,975,394</u>	<u>\$2,998,080</u>	<u>\$3,860,403</u>	<u>\$4,068,233</u>

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

	1996	1997	1998	1999	2000
Revenues					
Taxes	\$44,655,490	\$46,701,920	\$45,255,176	\$47,740,108	\$45,832,741
Intergovernmental	12,621,253	12,211,533	13,116,068	14,018,580	13,656,012
Interest	819,157	1,138,272	1,102,064	729,351	723,544
Tuition and Fees	1,127,012	1,107,645	1,146,034	1,011,588	943,578
Extracurricular Activities	537,894	609,686	420,141	484,221	535,323
Payment in Lieu of Taxes	0	0	0	70,641	98,389
Rentals	126,829	159,545	166,313	223,143	188,421
Charges for Services	40,928	3,133	10,310	78,030	14,440
Contributions and Donations	96,189	87,481	154,527	89,585	130,475
Miscellaneous	76,044	105,098	386,654	43,454	162,215
<i>Total Revenues</i>	<u>60,100,796</u>	<u>62,124,313</u>	<u>61,757,287</u>	<u>64,488,701</u>	<u>62,285,138</u>
Expenditures					
Current:					
Instruction:					
Regular	25,104,953	26,100,943	28,943,088	29,356,082	27,435,354
Special	3,885,824	4,065,687	3,400,272	4,391,462	5,386,485
Vocational	134,967	498,285	438,641	543,317	424,944
Adult/Continuing	28,479	73,121	64,741	75,938	12,920
Support Services:					
Pupil	2,573,600	2,829,738	3,214,074	3,472,733	3,253,850
Instructional Staff	4,040,371	4,823,192	5,237,374	5,508,931	5,816,575
Board of Education	42,135	36,483	27,041	27,540	39,552
Administration	2,902,489	3,265,813	3,411,741	3,471,943	3,538,361
Fiscal	1,179,912	1,186,141	1,171,319	1,356,311	1,342,309
Business	957,623	860,090	872,065	924,106	824,504
Operation and Maintenance of Plant	6,411,999	6,876,512	7,108,016	7,277,633	8,395,640
Pupil Transportation	2,536,613	2,710,642	2,999,688	2,606,465	2,963,758
Central	725,367	971,485	911,451	953,300	1,126,049
Operation of Non-Instructional Services	341,709	487,342	449,712	597,269	624,239
Extracurricular Activities	1,080,584	1,248,584	1,264,580	1,329,481	1,404,696
Capital Outlay	689,919	1,609,684	3,872,203	1,686,387	1,434,938
Intergovernmental	32,346	178	2,998	7,514	8,704
Debt Service:					
Principal Retirement	225,000	2,002,135	577,255	350,000	395,000
Interest and Fiscal Charges	865,954	883,439	857,952	844,279	827,081
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>53,759,844</u>	<u>60,529,494</u>	<u>64,824,211</u>	<u>64,780,691</u>	<u>65,254,959</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,340,952</u>	<u>1,594,819</u>	<u>(3,066,924)</u>	<u>(291,990)</u>	<u>(2,969,821)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	3,259	1,096	200	0	0
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	100,600	410	0	0	7,400
Transfers Out	(600)	(410)	0	0	(7,400)
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>103,259</u>	<u>1,096</u>	<u>200</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$6,444,211</u>	<u>\$1,595,915</u>	<u>(\$3,066,724)</u>	<u>(\$291,990)</u>	<u>(\$2,969,821)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.4%	3.6%	1.0%	0.6%	0.6%

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

2001	2002	2003	2004	2005
\$52,182,145	\$56,767,993	\$51,135,837	\$58,723,858	\$57,708,112
15,234,294	16,004,756	16,158,779	18,057,679	18,320,720
1,005,985	451,323	187,752	136,001	248,725
911,045	1,314,863	1,035,963	1,391,368	2,194,232
529,225	603,557	470,080	584,501	594,333
161,837	0	0	0	0
213,429	227,333	161,992	54,938	35,579
22,779	15,381	24,674	26,110	21,712
207,470	205,925	179,586	246,889	187,549
69,306	264,747	316,684	236,263	210,289
<u>70,537,515</u>	<u>75,855,878</u>	<u>69,671,347</u>	<u>79,457,607</u>	<u>79,521,251</u>
29,918,386	31,546,251	29,983,295	34,253,822	32,853,848
5,404,357	6,101,717	6,439,751	6,399,997	7,616,355
533,760	585,729	698,442	754,696	909,041
56,377	1,494	0	2,084	0
3,690,704	4,073,761	4,263,285	4,774,750	4,595,370
6,570,031	6,681,798	5,987,446	6,462,064	6,336,893
41,286	25,310	16,083	43,963	20,978
3,668,180	4,032,208	3,823,108	4,146,149	4,499,077
1,307,890	1,457,947	1,430,294	1,502,721	1,649,377
1,082,213	820,447	906,249	919,046	800,182
8,404,779	7,854,732	7,528,099	8,151,745	8,136,284
3,199,530	3,362,769	3,291,006	3,635,534	3,845,712
1,330,705	1,764,230	2,632,115	1,905,138	2,217,764
781,129	708,704	837,129	695,899	1,127,708
1,544,442	1,562,329	1,350,789	1,726,155	1,683,927
1,251,527	2,446,216	2,483,027	2,758,678	2,212,491
262	0	0	0	0
410,000	430,000	450,000	575,000	1,285,000
756,940	710,516	528,543	537,843	518,414
0	0	131,233	0	28,941
<u>69,952,498</u>	<u>74,166,158</u>	<u>72,779,894</u>	<u>79,245,284</u>	<u>80,337,362</u>
<u>585,017</u>	<u>1,689,720</u>	<u>(3,108,547)</u>	<u>212,323</u>	<u>(816,111)</u>
150,000	0	0	0	0
0	0	9,205,000	0	995,000
0	0	743,790	0	28,941
0	0	0	650,000	0
7,400	3,400	0	3,921	0
(7,400)	(3,400)	0	(3,921)	0
0	0	(9,817,557)	0	0
<u>150,000</u>	<u>0</u>	<u>131,233</u>	<u>650,000</u>	<u>1,023,941</u>
<u>\$735,017</u>	<u>\$1,689,720</u>	<u>(\$2,977,314)</u>	<u>\$862,323</u>	<u>\$207,830</u>
0.6%	0.6%	0.8%	0.8%	1.7%

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
1996	\$600,560,710	\$316,332,350	\$2,619,694,457	\$57,581,770	\$65,433,830
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

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 is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received 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.

Source: Office of the County Auditor, Cuyahoga County

Tangible Personal Property		Total		
General Business				
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$259,983,771	\$1,039,935,084	\$1,234,458,601	\$3,725,063,371	33.14%
278,548,460	1,114,193,840	1,261,352,390	3,823,501,706	32.99
261,930,469	1,047,721,876	1,321,715,129	3,979,173,944	33.22
247,826,803	991,307,212	1,309,603,913	3,927,324,213	33.35
244,299,461	977,197,844	1,328,082,121	3,977,412,277	33.39
235,165,084	940,660,336	1,482,594,794	4,418,919,913	33.55
211,623,911	846,495,644	1,474,550,481	4,375,411,064	33.70
199,438,922	797,755,688	1,462,737,652	4,340,496,857	33.70
187,459,887	815,042,987	1,534,045,887	4,595,928,122	33.38
192,551,284	837,179,496	1,545,390,994	4,635,903,619	33.34

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

	1996	1997	1998	1999	2000
Unvoted Millage					
Operating	\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
Voted Millage - by levy					
1976 Operating - continuing					
Residential/Agricultural Real	31.40	31.40	31.40	31.40	31.40
Commercial/Industrial and Public Utility Real	31.40	31.40	31.40	31.40	31.40
General Business and Public Utility Personal	31.40	31.40	31.40	31.40	31.40
1985 Operating - continuing					
Residential/Agricultural Real	6.90	6.90	6.90	6.90	6.90
Commercial/Industrial and Public Utility Real	6.90	6.90	6.90	6.90	6.90
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1991 Operating - continuing					
Residential/Agricultural Real	6.90	6.90	6.90	6.90	6.90
Commercial/Industrial and Public Utility Real	6.90	6.90	6.90	6.90	6.90
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1994 Operating - continuing					
Residential/Agricultural Real	5.90	5.90	5.90	5.90	5.90
Commercial/Industrial and Public Utility Real	5.90	5.90	5.90	5.90	5.90
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2000 Operating - continuing					
Residential/Agricultural Real	0.00	0.00	0.00	0.00	5.90
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00	5.90
General Business and Public Utility Personal	0.00	0.00	0.00	0.00	5.90
2002 Operating - continuing					
Residential/Agricultural Real	0.00	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00	0.00
1992 Bond Levy (debt service)	0.95	0.85	0.85	0.95	0.95
1974 Permanent Improvement Continuing					
Residential/Agricultural Real	0.90	0.90	0.90	0.90	0.90
Commercial/Industrial and Public Utility Real	0.90	0.90	0.90	0.90	0.90
General Business and Public Utility Personal	0.90	0.90	0.90	0.90	0.90
1996 Permanent Improvement Continuing					
Residential/Agricultural Real	0.00	1.00	1.00	1.00	1.00
Commercial/Industrial and Public Utility Real	0.00	1.00	1.00	1.00	1.00
General Business and Public Utility Personal	0.00	1.00	1.00	1.00	1.00
Total voted millage by type of property					
Residential/Agricultural Real	52.95	53.85	53.85	53.95	59.85
Commercial/Industrial and Public Utility Real	52.95	53.85	53.85	53.95	59.85
General Business and Public Utility Personal	52.95	53.85	53.85	53.95	59.85
Overlapping Rates by Taxing District					
Berea City					
Residential/Agricultural Real	17.80	17.80	17.80	17.70	17.70
Commercial/Industrial and Public Utility Real	17.80	17.80	17.80	17.70	17.70
General Business and Public Utility Personal	17.80	17.80	17.80	17.70	17.70
Middleburg Heights City					
Residential/Agricultural Real	5.90	5.60	5.60	5.60	5.60
Commercial/Industrial and Public Utility Real	5.90	5.60	5.60	5.60	5.60
General Business and Public Utility Personal	5.90	5.60	5.60	5.60	5.60
Brook Park City					
Residential/Agricultural Real	5.50	5.50	5.50	4.50	4.80
Commercial/Industrial and Public Utility Real	5.50	5.50	5.50	4.50	4.80
General Business and Public Utility Personal	5.50	5.50	5.50	4.50	4.80
Cuyahoga County					
Residential/Agricultural Real	18.00	18.00	18.00	16.70	16.70
Commercial/Industrial and Public Utility Real	18.00	18.00	18.00	16.70	16.70
General Business and Public Utility Personal	18.00	18.00	18.00	16.70	16.70
Polaris J.V.S.D.					
Residential/Agricultural Real	2.50	2.40	2.40	2.40	2.40
Commercial/Industrial and Public Utility Real	2.50	2.40	2.40	2.40	2.40
General Business and Public Utility Personal	2.50	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 values presented in the Assessed Value Table, 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
\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
31.40	31.40	31.40	31.40	31.40
31.40	31.40	31.40	31.40	31.40
31.40	31.40	31.40	31.40	31.40
6.90	6.90	6.90	6.90	6.90
6.90	6.90	6.90	6.90	6.90
6.90	6.90	6.90	6.90	6.90
6.90	6.90	6.90	6.90	6.90
6.90	6.90	6.90	6.90	6.90
6.90	6.90	6.90	6.90	6.90
5.90	5.90	5.90	5.90	5.90
5.90	5.90	5.90	5.90	5.90
5.90	5.90	5.90	5.90	5.90
5.90	5.90	5.90	5.90	5.90
5.90	5.90	5.90	5.90	5.90
5.90	5.90	5.90	5.90	5.90
0.00	0.00	5.90	5.90	5.90
0.00	0.00	5.90	5.90	5.90
0.00	0.00	5.90	5.90	5.90
0.85	0.85	0.95	0.95	0.95
0.90	0.90	0.90	0.90	0.90
0.90	0.90	0.90	0.90	0.90
0.90	0.90	0.90	0.90	0.90
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
59.75	59.75	65.75	65.75	65.75
59.75	59.75	65.75	65.75	65.75
59.75	59.75	65.75	65.75	65.75
17.60	17.50	17.60	17.50	17.60
17.60	17.50	17.60	17.50	17.60
17.60	17.50	17.60	17.50	17.60
5.60	5.60	5.45	5.45	5.45
5.60	5.60	5.45	5.45	5.45
5.60	5.60	5.45	5.45	5.45
4.80	4.80	4.80	4.80	4.80
4.80	4.80	4.80	4.80	4.80
4.80	4.80	4.80	4.80	4.80
17.60	17.60	17.60	17.60	17.60
17.60	17.60	17.60	17.60	17.60
17.60	17.60	17.60	17.60	17.60
2.40	2.40	2.40	2.40	2.40
2.40	2.40	2.40	2.40	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

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
1995	\$47,233,210	\$46,299,343	98.02%	\$1,966,080	\$48,265,423	102.19%
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

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 2005 information cannot be presented because all collections have not been made by June 30, 2005.
- (3) The County does not identify delinquent tax collections by tax year.

Berea City School District
Principal Taxpayers
Real Estate Tax
January 1 , 2004 and January 1, 1995

Name of Taxpayer	December 31, 2004	
	Assessed Value	Percent of Real Property Assessed Value
Cleveland Port Authority	\$82,864,210	6.31 %
Ford Motor Company	25,805,870	1.96
Southland Store Company	11,398,070	0.87
Islander Company	12,648,470	0.96
MWP Company	9,242,450	0.70
Techpark Ltd. Partnership	7,222,140	0.55
Park 'N' Fly	5,904,470	0.45
Robert Amsdell	5,423,710	0.41
Sears Roebuck	4,212,600	0.32
Tower in the Park	4,149,850	0.32
Totals	<u>\$168,871,840</u>	<u>12.85 %</u>
Total Assessed Valuation	<u>\$1,314,175,720</u>	

Name of Taxpayer	December 31, 1995	
	Assessed Value	Percent of Real Property Assessed Value
Ford Motor Company	\$32,975,690	3.60 %
Cleveland Port Authority	17,680,420	1.93
Islander Company	8,651,640	0.94
Techpark Ltd. Partnership	9,263,890	1.01
Dominick and Tom Visconsi	7,465,500	0.81
Brookpark Community Urban Redevlopment Corporation	6,812,440	0.74
Sears, Roebuck, Inc.	4,541,430	0.50
Southwest General Hospital	4,608,630	0.50
Tower in the Park, Ltd.	3,473,750	0.38
S & W Realty	3,640,030	0.40
Totals	<u>\$99,113,420</u>	<u>10.81 %</u>
Total Assessed Valuation	<u>\$916,893,060</u>	

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

Berea City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2004 and December 31, 1995

Name of Taxpayer	December 31, 2004	
	Assessed Value	Percent of Tangible Assessed Value
Ford Motor Company	\$68,720,910	35.69 %
Marc Glassman Inc.	11,756,420	6.11
Thyssenkrupp Materials Inc.	3,721,300	1.93
Sunnyside Automotive Inc.	3,287,920	1.71
Codonics Inc.	3,218,190	1.67
Hawk Corp.	2,930,990	1.52
Foseco Metallurgical Inc.	2,157,170	1.12
Metro Imports Inc.	2,011,200	1.04
Sams East Inc.	1,905,550	0.99
Williams Motor Co. Inc.	1,761,620	0.91
Totals	<u>\$101,471,270</u>	<u>52.70 %</u>
Total Assessed Valuation	<u>\$192,551,284</u>	

Name of Taxpayer	December 31, 1995	
	Assessed Value	Percent of Tangible Assessed Value
Ford Motor Company	\$121,351,850	46.68 %
Marc Glassman Inc.	6,385,470	2.46
Computer Leasing, Inc.	6,597,030	2.54
IBM Credit LLC	5,884,540	2.26
General Electric Company	4,305,550	1.66
Penton Publishing	4,125,720	1.59
Ken Mac Metals Inc.	4,000,640	1.54
Foseco Incorporated	3,395,130	1.31
BF Goodrich	3,370,530	1.30
Cargill Leasing Corp.	3,137,380	1.21
Totals	<u>\$162,553,840</u>	<u>62.52 %</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
December 31, 2004 and December 31, 1995

Name of Taxpayer	December 31, 2004	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$16,301,510	42.16 %
Ohio Bell Telephone	9,792,980	25.33
American Transmission System	2,800,280	7.24
Columbia Gas	1,906,880	4.93
American Fiber Systems, Inc.	1,139,000	2.95
Totals	<u>\$31,940,650</u>	<u>82.61 %</u>
Total Assessed Valuation	<u>\$38,663,990</u>	

Name of Taxpayer	December 31, 1995	
	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

Berea City School District
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities*
June 30, 2005

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
Cuyahoga County Bonds	\$ 249,645,029	5.04%	\$12,582,109
Berea City Bonds	17,583,024	21.70	3,815,516
Brook Park City Bonds	3,962,000	36.40	1,442,168
Middleburg Heights City Bonds	21,619,652	36.00	7,783,075
Regional Transit Authority Bonds	147,025,000	5.04	7,410,060
Payable from Other Sources:			
Berea Urban Renewal Bonds	1,520,000	21.70	329,840
Middleburg Heights Special Assessment Bonds	1,887,835	5.04	95,147
Cuyahoga County Revenue Bonds	361,168,000	5.04	18,202,867
Cuyahoga County Loans Payable	3,054,000	5.04	153,922
Cuyahoga County Capital Leases	25,100,000	5.04	1,265,040
Total Overlapping Debt	<u>392,729,835</u>		<u>20,046,816</u>
Direct Debt	<u>11,050,000</u>	100.00%	<u>11,050,000</u>
Total Direct and Overlapping Debt	<u>\$403,779,835</u>		<u>\$31,096,816</u>

Source: Office of the Auditor, Cuyahoga County, Ohio

- (1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2005 collection year.

Berea City School District
Ratio of Outstanding Debt By Type
Last Ten Fiscal Years

Governmental Activities			
Fiscal Year	General Obligation Bonds	Percentage of Average Personal Income	Per Capita
1996	\$13,875,000	NA	\$245.06
1997	13,600,000	NA	217.29
1998	13,300,000	NA	212.49
1999	12,950,000	NA	202.39
2000	12,555,000	0.37%	269.18
2001	12,145,000	0.38%	260.39
2002	11,715,000	0.40%	251.17
2003	11,265,000	0.41%	241.52
2004	10,690,000	0.44%	229.19
2005	11,050,000	0.42%	236.91

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

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Assessed Valuation	<u>1,234,458,601</u>	<u>1,261,352,390</u>	<u>1,321,715,129</u>	<u>1,309,603,913</u>	<u>1,328,082,121</u>
Debt Limit - 9% of Assessed Value (1)	111,101,274	113,521,715	118,954,362	117,864,352	119,527,391
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	13,875,000	13,600,000	13,300,000	12,950,000	12,555,000
Notes	0	0	1,350,000	1,775,000	450,000
Less Amount Available in Debt Service	<u>(524,763)</u>	<u>(569,940)</u>	<u>(551,969)</u>	<u>(678,934)</u>	<u>(726,134)</u>
Total	13,350,237	13,030,060	14,098,031	14,046,066	12,278,866
Exemptions:					
Tax Anticipation Note	0	0	1,350,000	900,000	0
Energy Conservation Note	<u>0</u>	<u>0</u>	<u>0</u>	<u>875,000</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>13,350,237</u>	<u>13,030,060</u>	<u>12,748,031</u>	<u>12,271,066</u>	<u>12,278,866</u>
Overall Debt Margin	<u>\$97,751,037</u>	<u>\$100,491,655</u>	<u>\$106,206,331</u>	<u>\$105,593,286</u>	<u>\$107,248,525</u>
Debt Margin - .10% of Assessed Value (1)	1,234,459	\$1,261,352	\$1,321,715	\$1,309,604	\$1,328,082
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,234,459</u>	<u>\$1,261,352</u>	<u>\$1,321,715</u>	<u>\$1,309,604</u>	<u>\$1,328,082</u>

2001	2002	2003	2004	2005
<u>1,482,594,794</u>	<u>1,474,550,481</u>	<u>1,462,737,652</u>	<u>1,534,045,887</u>	<u>1,545,390,994</u>
133,433,531	132,709,543	131,646,389	138,064,130	139,085,189
12,145,000	11,715,000	11,265,000	10,690,000	11,050,000
0	0	0	650,000	0
<u>(854,526)</u>	<u>(1,093,853)</u>	<u>(1,369,601)</u>	<u>(1,732,481)</u>	<u>(2,044,510)</u>
11,290,474	10,621,147	9,895,399	9,607,519	9,005,490
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>11,290,474</u>	<u>10,621,147</u>	<u>9,895,399</u>	<u>9,607,519</u>	<u>9,005,490</u>
<u>\$122,143,057</u>	<u>\$122,088,396</u>	<u>\$121,750,990</u>	<u>\$128,456,611</u>	<u>\$130,079,699</u>
\$1,482,595	\$1,474,550	\$1,462,738	\$1,534,046	\$1,545,391
0	0	0	0	0
<u>\$1,482,595</u>	<u>\$1,474,550</u>	<u>\$1,462,738</u>	<u>\$1,534,046</u>	<u>\$1,545,391</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				
				General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
1996	56,618	a	\$3,725,063,371	\$13,875,000	\$524,763	\$13,350,237	0.36%	\$235.79
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	11,265,000	1,369,601	9,895,399	0.23	177.56
2004	56,174	b	4,595,928,122	10,690,000	1,732,481	8,957,519	0.19	159.46
2005	57,012	b	4,635,903,619	11,050,000	2,044,510	9,005,490	0.19	157.96

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 Ten Years

Year	Population (1)	Average Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)
1996	56,618	NA	NA	4.7%
1997	62,590	NA	NA	4.6
1998	62,590	NA	NA	3.9
1999	63,986	NA	NA	4.6
2000	59,420	46,642	1.3	5.0
2001	55,730	46,642	0.8	4.3
2002	55,730	46,642	0.8	6.0
2003	55,730	46,642	0.8	6.0
2004	56,174	46,642	0.8	6.6
2005	57,012	46,642	0.8	6.6

- (1) U.S. Census Bureau
- (2) Cities of Berea, Middleburg Heights and Brook Park
- (3) Represents Cuyahoga County

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

Employer	Nature of Business	2005		
		Number of Employees	Rank	Percentage of Total Employment
Ford Motor Company	Automobile	4,000	1	23.88%
Southwest General Hospital	Hospital	2,892	2	17.27
United Parcel Service	Delivery	2,461	3	14.69
NASA	Government	1,755	4	10.48
Berea City School District	Education	1,088	5	6.50
Baldwin Wallace College	Higher Education	950	6	5.67
Berea Children's Home	Treatment Facility	700	7	4.18
Marc Glassman	Warehouse	697	8	4.16
Sears Roebuck & Company	Retail	498	9	2.97
City of Middleburg Heights	Municipal Government	477	10	2.85
Polaris Joint Vocational	Vocational Education	441		2.63
City of Brook Park	Municipal Government	402		2.40
Transamerica Holdings	Financial	389		2.32
Total		<u>16,750</u>		<u>44.16%</u>
Total Employment within the School District		<u>67,846</u>		

Source: Cities of Berea and Middleburg Heights, Ohio

(1) Information prior to 2000 is not available.

2000		
Number of Employees	Rank	Percentage of Total Employment
3,800	1	19.80%
2,849	3	14.80
2,555	4	13.30
3,600	2	18.80
1,100	6	5.70
953	7	5.00
695	8	3.60
635	9	3.30
1,360	5	7.10
457	10	2.40
454		2.40
426		2.20
305		1.60
<u>19,189</u>		<u>52.10%</u>
<u>75,430</u>		

Berea City School District
Building Statistics by Function/Program
Current Fiscal Year

Big Creek Elementary School

Constructed in 1954	
Total Building Square Footage	116,620
Enrollment Grades K-6	798
Student Capacity	1,010
Regular Instruction Classrooms	49
Regular Instruction Teachers	43
Special Instruction Teachers	7

Brookpark Elementary School

Constructed in 1956	
Total Building Square Footage	96,900
Enrollment Grades K-6	649
Student Capacity	836
Regular Instruction Classrooms	56
Regular Instruction Teachers	39
Special Instruction Teachers	6

Fairwood Elementary School

Constructed in 1948	
Total Building Square Footage	51,876
Enrollment Grades 7-12	364
Student Capacity	419
Regular Instruction Classrooms	26
Regular Instruction Teachers	19
Special Instruction Teachers	3

Parknoll Elementary School

Constructed in 1961	
Total Building Square Footage	41,746
Enrollment Grades K-5	275
Student Capacity	334
Regular Instruction Classrooms	24
Regular Instruction Teachers	15
Special Instruction Teachers	3

Smith Elementary School

Constructed in 1966	
Total Building Square Footage	42,000
Enrollment Grades K-6	229
Student Capacity	336
Regular Instruction Classrooms	21
Regular Instruction Teachers	13
Special Instruction Teachers	2

Ford Middle School

Constructed in 1961	
Total Building Square Footage	165,800
Enrollment Grades 6-8	1,091
Student Capacity	1,175
Regular Instruction Classrooms	66
Regular Instruction Teachers	59
Special Instruction Teachers	11

Berea High School

Constructed in 1928	
Total Building Square Footage	264,266
Enrollment Grades 9-12	1,254
Student Capacity	1,582
Regular Instruction Classrooms	67
Regular Instruction Teachers	54
Special Instruction Teachers	14

Midpark High School

Constructed in 1962	
Total Building Square Footage	236,563
Enrollment Grades 9-12	1,347
Student Capacity	1,418
Regular Instruction Classrooms	55
Regular Instruction Teachers	61
Special Instruction Teachers	12

(continued)

Brookview Elementary School

Constructed in 1965	
Total Building Square Footage	53,400
Enrollment Grades K-6	492
Student Capacity	437
Regular Instruction Classrooms	31
Regular Instruction Teachers	27
Special Instruction Teachers	4

Riveredge Elementary School

Constructed in 1960	
Total Building Square Footage	44,384
Enrollment Grades K-6	263
Student Capacity	355
Regular Instruction Classrooms	25
Regular Instruction Teachers	18
Special Instruction Teachers	4

Roehm Middle School

Constructed in 1956	
Total Building Square Footage	133,804
Enrollment Grades 6-8	749
Student Capacity	1,163
Regular Instruction Classrooms	47
Regular Instruction Teachers	38
Special Instruction Teachers	9

Berea City School District
Per Pupil Cost
Last Seven Fiscal Years

Fiscal Year	Expenses	Enrollment (1)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
1999	\$62,975,746	7,893	\$7,979	(5.02)	501	15.8
2000	64,950,184	7,732	8,400	(8.98)	522	14.8
2001	71,300,515	7,726	9,229	(8.98)	524	14.7
2002	73,835,840	7,595	9,722	(5.07)	507	15.0
2003	73,052,592	7,372	9,909	(1.90)	612	12.0
2004	80,087,164	7,914	10,120	(2.08)	538	14.7
2005	77,635,622	7,511	10,336	(2.10)	532	14.1

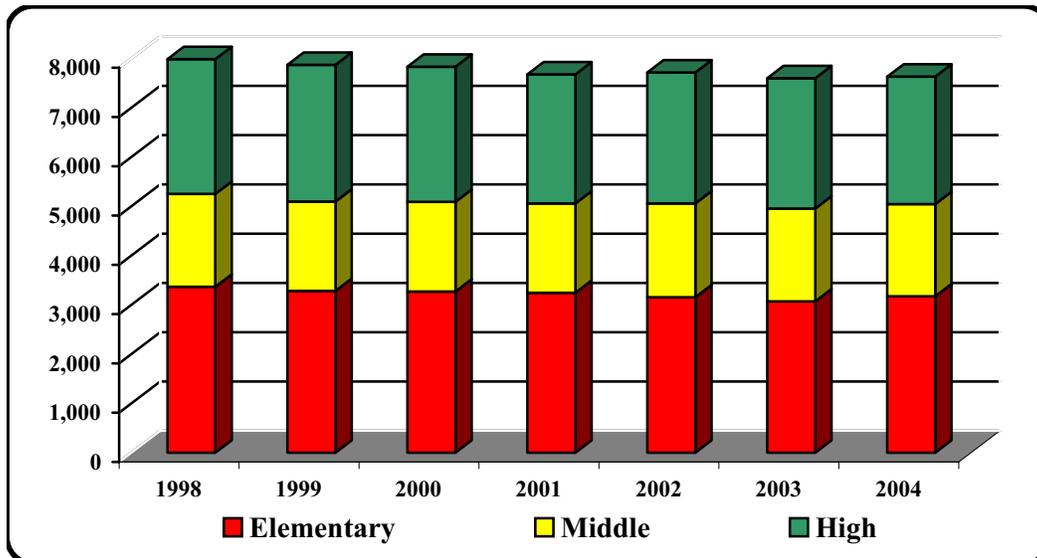
Source: School District Records

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

Berea City School District

Enrollment Statistics Last Eight Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
1998	3,362	1,884	2,736	7,982
1999	3,283	1,813	2,773	7,869
2000	3,268	1,818	2,743	7,829
2001	3,241	1,811	2,618	7,670
2002	3,153	1,899	2,662	7,714
2003	3,071	1,879	2,647	7,597
2004	3,172	1,871	2,587	7,630
2005	3,101	1,827	2,583	7,511



Source: Berea City School Records

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

Degree	1996	1997	1998	1999	2000
Bachelor's Degree	119	129	134	72	137
Bachelor + 15	44	52	59	87	35
Bachelor + 30	71	77	80	69	85
Master's Degree	187	194	201	212	208
Master + 15	21	16	4	28	28
Master + 30	5	15	8	7	7
PhD	20	16	11	26	22
Total	467	499	497	501	522

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
103	96	41	65	82
46	46	53	18	14
82	95	45	38	35
237	218	292	272	313
27	27	96	93	29
4	4	42	24	22
<u>25</u>	<u>21</u>	<u>43</u>	<u>28</u>	<u>37</u>
<u><u>524</u></u>	<u><u>507</u></u>	<u><u>612</u></u>	<u><u>538</u></u>	<u><u>532</u></u>

Berea City School District
Average Number of Students per Teacher
Last Seven 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

Source: Ohio Department of Education, EMIS Reports

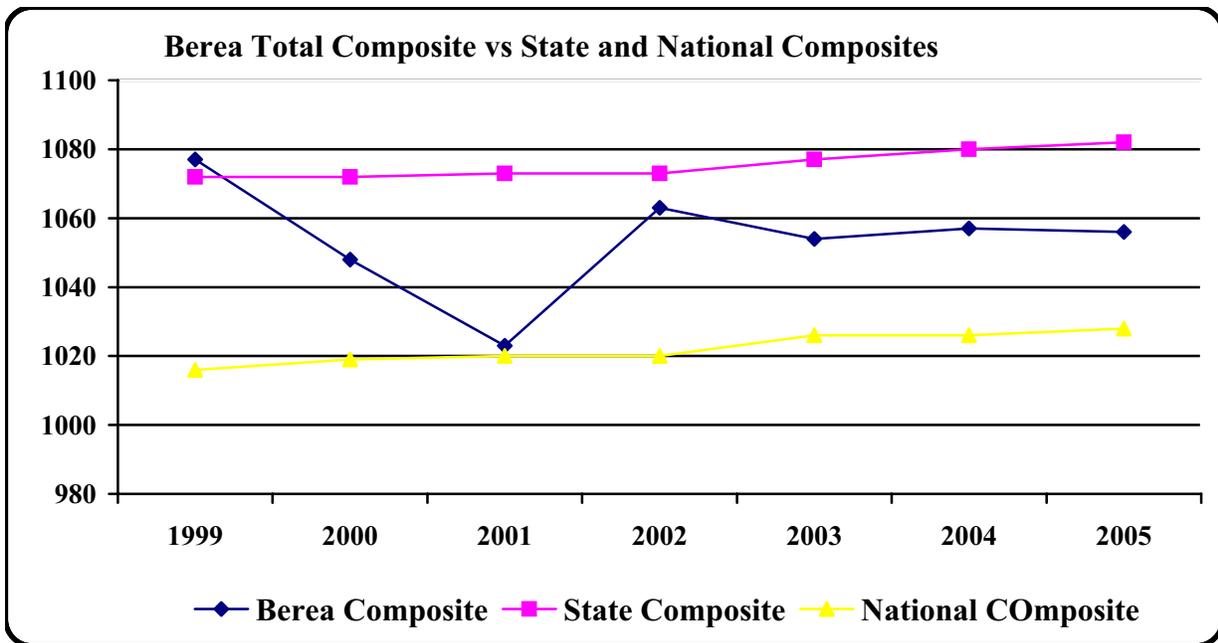
Berea City School District
Attendance and Graduation Rates
Last Ten School Years

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

Source: Ohio Department of Education Local Report Cards

Berea City School District
SAT Scores
Last Seven 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
2004	196	99	50.51	523	538	508



Source: High School Guidance Office,
 Brecksville-Broadview Heights City School District

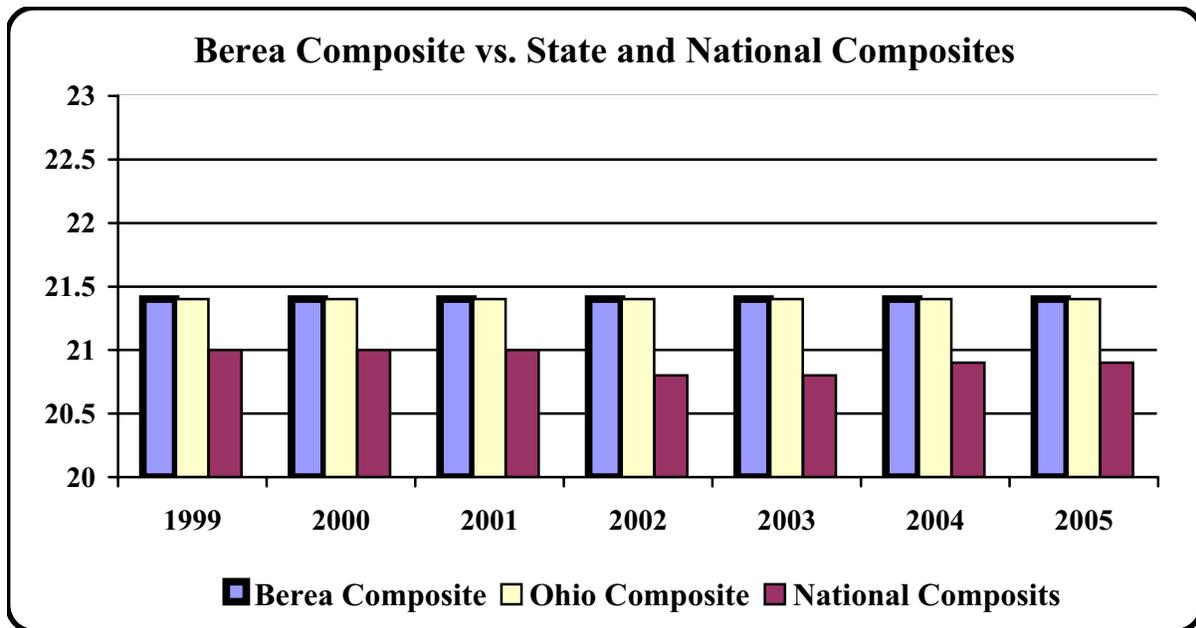
Berea Math	Ohio Math	National Math
545	538	511
530	539	514
511	539	514
534	540	516
528	541	519
529	542	518
533	542	518

Berea City School District

ACT Composite Scores

Last Seven School Years

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Berea Composite	Ohio Composite	National Composite
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	296	170	57.43	21.4	21.4	20.9



Source: High School Guidance Office,
Berea City School District

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

Function/Program	2005	2004
Regular Instruction		
Elementary Classroom Teachers	189.00	172.00
Middle School Classroom Teachers	105.00	98.00
High School Classroom Teachers	122.00	117.50
Special Instruction		
Elementary Classroom Teachers	24.50	28.00
Gifted Education Teachers	5.50	5.50
Middle School Classroom Teachers	31.00	31.00
High School Classroom Teachers	22.50	26.00
Vocational Instruction		
High School Classroom Teachers	5.50	8.00
Pupil Support Services		
Guidance Counselors	17.00	18.00
Librarians	9.00	9.00
Psychologists	3.00	3.00
Speech and Language Pathologists	13.50	16.00
Non-Teaching Support Staff Central	9.00	9.00
Instructional Support Service		
Non-Teaching Support Staff Elementary	93.00	107.00
Non-Teaching Support Staff Middle	43.00	47.00
Non-Teaching Support Staff High	41.00	44.00
Non-Teaching Support Staff Central	2.50	3.50
Administration		
Elementary	7.50	8.50
Middle School	7.00	6.50
High School	8.00	8.00
Central	2.00	2.00
Business		
Central	3.00	3.00
Fiscal		
Treasurer Department	7.50	7.50
Operation of Plant		
Custodial Dept.	75.00	83.00
Maintenance Dept.	18.00	18.00
Pupil Transportation		
Bus Drivers	65.00	67.00
Bus Aides	8.00	8.00
Mechanics	5.00	5.00
Transportation support staff	4.00	4.00
Central		
Community Relations	2.00	2.00
Technology	19.00	20.00
Personnel	5.00	5.00
Extracurricular		
Athletic Department	3.00	5.00
Food Service Program		
Elementary	35.00	26.00
Middle	16.00	17.00
High School Cooks	18.00	22.00
Central	2.00	2.00
Adult Education/Community Service		
Preschool	9.00	9.00
Extended Care	32.00	29.00
Adult Education	1.00	2.00
Totals	1,088.00	1,102.00

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee



Brittany D. – 4th Grade
Fairwood Elementary School
Art Instructor: Maureen Byrne



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

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 12, 2006**